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STANDING COMMITTEE ON URBAN DEVELOPMENT (2004-2005)

FOURTEENTH LOK SABHA

MINISTRY OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION

DEMANDS FOR GRANTS (2004-2005)

FIRST REPORT

LOK SABHA SECRETARIAT
NEW DELHI

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STANDING COMMITTEE ON URBAN DEVELOPMENT (2004-2005)

(FOURTEENTH LOK SABHA)

MINISTRY OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION

DEMANDS FOR GRANTS (2004-2005)

Presented to Lok Sabha on 23.8.2004

Laid in Rajya Sabha on 23.8.2004

LOK SABHA SECRETARIAT
NEW DELHI

August, 2004/*Sravana,* 1926 *(Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON URBAN DEVELOPMENT (2004-2005)

Mohd. Salim—*Chairman*

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3. Shri Avtar Singh Bhadana
4. Shri Surendra Prakash Goyal
5. Shri Pushp Jain
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18. Shri Ravi Prakash Verma
19. Shri Akhilesh Yadav
20. Shri Baleshwar Yadav
21. Shri Suresh Ganpat Wagmare

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*Ceased to be a member of this Committee w.e.f. 16.08.2004 consequent upon his nomination to the Committee on Science and Technology, Environment and Forests.

Rajya Sabha

22. Shri B.K. Hariprasad
23. Smt. Syeda Anwara Taimur
24. Shri Nandi Yellaiah
25. Shri Jayantilal Barot
26. Shri Laxminarayan Sharma
27. Shri Prasanta Chatterjee
28. Shri Shahid Siddiqui
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1. Shri P.D.T. Achary	—	*Additional Secretary*
2. Shri V.K. Sharma	—	*Joint Secretary*
3. Shri K. Chakraborty	—	*Director*
4. Shrimati Sudesh Luthra	—	*Deputy Secretary*
5. Shrimati Neera Singh	—	*Under Secretary*

ABBREVIATIONS

ACA	—	Additional Central Assistance
BE	—	Budget Estimate
BMTPC	—	Building Material and Technology Promotion Council
BPL	—	Below Poverty Line
CBO	—	Community Based Organisation
DUs	—	Dwelling Units
DUDA	—	District Urban Development Agency
DWCUA	—	Development of Women and Children in Urban Areas
EWS	—	Economically Weaker Section
HFI	—	Housing Finance Institution
HPL	—	Hindustan Prefab Limited
HUDCO	—	Housing and Urban Development Corporation
IIPA	—	Indian Institute of Public Administration
LIG	—	Low Income Group
MIS	—	Management Information System
NGO	—	Non-Governmental Organisation
NHB	—	National Housing Bank
NP	—	Non Plan
NSDP	—	National Slum Development Programme
RE	—	Revised Estimate
SJSRY	—	Swarna Jayanti Shahari Rozgar Yojana
SUDA	—	State Urban Development Agency
UCs	—	Utilisation Certificates
UEPA	—	Urban Employment and Poverty Alleviation
UI	—	Urban Infrastructure
UNCHS	—	United Nations Centre for Human Settlements
UPA	—	Urban Poverty Alleviation
UTs	—	Union Territories
UWEP	—	Urban Wage Employment Programme.

INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2004-2005) having been authorised by the Committee to submit the Report on their behalf, present the First Report on Demands for Grants (2004-2005) of the Ministry of Urban Employment and Poverty Alleviation.

2. Demands for Grants have been examined by the Committee under Rule 331E (1) (a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Ministry of Urban Employment and Poverty Alleviation on 10th August 2004.

4. The Committee considered and adopted the Report at their sitting held on 17th August. 2004.

5. The Committee wish to express their thanks to the officials of the Ministry of Urban Employment and Poverty Alleviation for placing before them the requisite material and their considered views in connection with the examination of the subject.

6. They would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
18 *August*, 2004
27 *Sravana*, 1926 *(Saka)*

MOHD. SALIM,
Chairman,
Standing Committee on Urban Development.

CHAPTER I

INTRODUCTORY

1.1 The Ministry of Urban Development & Poverty Alleviation has been bifurcated into two separate Ministries *viz*. Ministry of Urban Development and the Ministry of Urban Employment and Poverty Alleviation w.e.f. 27th May, 2004. Ministry of Urban Employment and Poverty Alleviation is entrusted with the responsibility of broad policy formulation and monitoring of programmes and schemes in the areas of housing and urban poverty alleviation. Poverty, for the most part takes the shape of misery and deprivation among individuals and households from security, fulfilment of survival needs and quality life. In an environment where the poor are exploited and ignored, there is major role for the States and its agencies including the Urban Local Bodies (ULBs) in finer urban governance and urban development. The Ministry of Urban Employment & Poverty Alleviation basically deals with the following areas of concern:

(i) Formulation of housing policy and programme (except rural housing), which is assigned to the Department of Rural Development, review of the implementation of the Plan schemes, collection and dissemination of data on housing, building materials and techniques, general measures for reduction of building costs and nodal responsibility for National Housing Policy;

(ii) Human Settlements including the United Nations Commission for Human Settlements and International Cooperation and Technical Assistance in the field of Housing and Human Settlements;

(iii) Urban Development including Slum Clearance Schemes and the Jhuggi and Jhonpri Removal Schemes. International Cooperation and Technical Assistance in this field;

(iv) National Cooperative Housing Federation;

(v) Implementation of the specific programmes of Urban Employment and Urban Poverty Alleviation including other programmes evolved from time to time; and

(vi) All matters relating to the Housing and Urban Development Corporation (HUDCO) other than those relating to urban infrastructure.

1.2 The Ministry implements the above work through formulation of appropriate policies, implementation of specific Plan programmes of Housing and generation of employment in urban areas, and supporting autonomous bodies for undertaking relevant programmes and schemes.

1.3 The Planned Programmes supported by this Ministry comprise of the Centrally Sponsored Schemes and Central Schemes. The Centrally Sponsored Schemes are: (i) Swarna Jayanti Shahari Rozgar Yojana (SJSRY); (ii) Valmiki Ambedkar Awas Yojana (VAMBAY); (iii) Integrated Low Cost Sanitation Scheme for Liberation of Scavengers (ILCS); (iv) National Scheme for Liberation and Rehabilitation of Scavengers and their dependents (NSLRS); (v) Scheme for provision of Infrastructure facilities in displaced persons urban colonies in West Bengal; (vi) Night Shelter Schemes; and (vii) Building Centers; The Central Schemes are: (i) Building Materials and Technology Promotion Council (BMPTC); (ii) National Cooperative Housing Federation (NCHF); (iii) Central Government Employees Welfare Housing Organization (CGEWHO); (iv) United Nations Center for Human Settlements (UNCHS); (v) National Building Organization (NBO); (vi) Urban Indictors Programme.

Urban Reforms Incentive Fund (URIF)

1.4 During the year 2002-2003, the Government had set up a fund named 'Urban Reforms Incentive Fund' (URIF) to provide reform linked assistance to States as part of the Central assistance to State Plan. Consequently, in addition to Centrally Sponsored Schemes and Central Schemes, the Ministry also administers URIF. Funds are released for URIF as Additional Central Assistance to Annual Plan of States by Ministry of Finance on the basis of recommendations made by the Ministry of Urban Employment and Poverty Alleviation.

1.5 Budget of the Ministry of Urban Employment and Poverty Alleviation comprises of one Demand for Grants, i.e. Demand No. 103-Ministry of Urban Employment and Poverty Alleviation.

CHAPTER II

ANALYSIS OF DEMANDS FOR GRANTS (2004-2005)

Demand No.: 103

Ministry of Urban Employment and Poverty Alleviation

(Rs. in crore)

	Revenue	Capital	Total
Charged	—	—	—
Voted	530.13	311.55	841.68

2.2 The overall B.E. 2004-2005 is Rs. 841.68 crore (Gross), including both Plan and Non-Plan. The respective provisions on the Revenue and Capital sides are Rs. 530.13 crore and Rs. 311.55 crore respectively. The break-up of Plan and Non-Plan provision is Rs. 830.00 crore and Rs. 11.68 crore, respectively.

2.3 The details of financial requirements for different programmes over the last five years is given in *Appendix-I*. Major Head-wise break-up over the last five years showing the percentage variations is given in *Appendix-II*.

Comparative Budget Proposals

Demand No. 103	BE 2003-04		RE 2003-04		BE 2004-05		% variation over BE 2003-2004	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Revenue	347.90	7.20	387.90	7.17	523.00	7.13	50.33%	-0.97%
Capital	277.10	9.79	277.10	5.00	307.00	4.55	10.79%	-53.52%
Total	625.00	16.99	665.00	12.17	830.00	11.68	32.80%	-31.25%

2.4 While presenting the overall position with regard to the total Budget allocation of the Ministry during 9th and 10th Plan, the

Secretary of the Ministry stated as below:

> "The Ministry comprises of only one grant, for which the total budget allocation for 2004-05 is Rs. 841.68 crore. The 9th Plan outlay 1997-2002 was Rs. 1685.35 crore as against this the 10th Plan outlay is more than $3^{1}/_{2}$ times of the 9th Plan which is Rs. 4,710 crore. That itself is a substantial increase. During 2003-04, though we have only a few schemes, our expenditure was 98 percent of the final grant. During the current financial year, four more Schemes have been added. Two of them were added during the last year at the RE and supplementary stages. The National Scheme for liberation of scavengers which came to us form the Ministry of Social Justice and the Low Cost Sanitation Scheme which was operated with the Budget provided in the UD grant. The new Scheme for this year-resettlement of slums in Dharavi with an initial budget of Rs. 75 crore and another small Scheme with UNDP assistance of national strategy for urban poor with a budget estimate of Rs. 4 crore. This is at a very initial stage. We are yet to go into further details."

2.5 The Ministry in the written note has stated that during 10th Plan the Government aims for eradication of poverty and creation of high quality gainful employment. Further, the Common Minimum Programme of UPA Government aims at massive expansion of housing in towns and cities with particular attention of the needs of slum dwellers. CMP also aims to take care to provide housing to urban/ semi urban poor near to their work place. In the Budget Speech of Finance Minister, it has been indicted that UPA Government propose to provide 100 days employment of the bread earner in each family at the minimum wage. With regard to the overall scenario of urban housing and slum population in urban areas, the Ministry has furnished the following information:

> "There is housing shortage of 8.89 million units in the beginning of Tenth Plan. Further, anticipated shortage by the end of the Tenth Plan is likely to be 22.44 million dwelling units."

2.6 As regards slum population, the Committee have been informed that the population in slums which was 148.249 lakh during 1981 increased to 188.659 lakhs during 1991 and further increased to 254.811 lakhs during 2001.

2.7 Attention may be drawn towards the audit reports contained in the C&AG Report relating to the Ministry of Urban Employment &

Poverty Alleviation, wherein it has been mentioned that during the years 2000-2001 and 2001-2002 major portion of the disbursements on Grants-in-Aids to States/UTs, capital Outlays and investments were made in the last month of the financial year i.e. the month of March. Since the funds were released in the fag end of the financial year to various organizations, these allocations could not be constructively spent during the year. C&AG commented that it was not possible to conclude as to whether the funds were applied during the same year for the purpose for which they were authorized.

2.8 The Committee find that under the jurisdiction of the Ministry there are two major Schemes *viz*. VAMBAY and SJSRY to tackle the problem of urban slums and to provide self-employment to urban poor. The detailed analysis of the aforesaid Schemes has been made in the subsequent chapters of the Report. Here the Committee would like to note that the allocation under the two aforesaid Schemes i.e. Rs. 280.58 crore and Rs. 103 crore during 2004-05 is not adequate. The Committee note that there are big challenges before the Ministry in the areas of addressing various problems relating to slum population and employment to urban poor. They feel that the allocation of the Ministry is too meagre. The Committee strongly recommend to the Government to provide adequate allocation under the respective Schemes of the Ministry. While recommending for higher outlay, the Committee would also like that the Ministry should first of all do the proper homework before going to the Planning Commission/Ministry of Finance for higher allocation.

2.9 The Committee find that although the UPA Government has assured 100 days wage employment to the bread earner in each family at the minimum wage, there is no clear cut strategy on the part of the Government to achieve the said targets. The Committee note that one of the major employment Scheme, SJSRY is under the jurisdiction of the Ministry. They also find that the Yojana is plagued with various bottlenecks resulting in ineffective implementation of the programme. While the Yojana has been dealt with in detail in the subsequent chapter, the Committee would like to highlight that it is high time that the Ministry revise the guidelines of the Yojana, after consultation with the State Governments, urban local bodies and all concerned. After doing the proper planning they should increase the targets.

2.10 As the name of the Ministry suggests the main task of the Ministry is to tackle the issue of urban employment. To enable the

Government to fulfil the promise of providing 100 days wage employment to the bread earner in each family, the major task before the Ministry is to have the clear-cut data of urban unemployed. Besides in consultation with the State Governments and all the Union Ministries concerned with providing employment in urban areas a clear cut strategy should be chalked out so that the promises made by the Government are translated into reality. The Committee should be informed accordingly.

2.11 The Committee note from the Budget allocations that the Ministry of Urban Employment and Poverty Alleviation have been allocated an overall B.E. 2004-2005 amounting to Rs. 841.68 crore (Gross) which includes both Plan and Non-Plan. The respective provisions on the Revenue and capital sides are Rs. 530.13 crore and Rs. 311.55 crore, respectively. The break-up of Plan and Non-Plan provision is Rs. 830.00 crore and Rs. 11.68 crore, respectively. The Committee also note that in the Revenue Section the budgetary allocation in the Plan section in year 2003-2004 amounted to Rs. 347.9 crore but it has increased to Rs. 523 crore in year 2004-2005, marking almost 50.33% increase in planned allocations in the present financial year. Certain schemes have been added to the portfolio of the Ministry of Urban Employment & Poverty Alleviation as the Integrated Low Cost Sanitation scheme for Liberation of Scavengers (ILCS) and National Scheme for Liberation and Rehabilitation of Scavengers and their dependents (NSLRS) were transferred from the Ministry of Urban Development and Ministry of Social Justice and Empowerment, respectively. Further, a new scheme for re-settlement of slums in Dharavi, Mumbai has been launched for which a provision of Rs. 75 crore has been made in the BE 2004-2005. Although with the addition of the said schemes, the 50.33% increase in the Revenue Section attributes to be notional for the required ongoing expenses. The Committee are of the firm view that the increased allocation of funds be utilized in the right perspective.

2.12 The Committee express their deep concern about the continuous nature of unspent balances of funds lying with the State Governments, which were released by the Centre for implementation of various poverty alleviation schemes depicting the incomplete implementation of the schemes/programmes. The Committee need hardly emphasize that inordinate delay in release of Central share of funds to the States gives very less time to the State Government and ULBs for the implementation of a programme thereby defeating

the main purpose behind each of these poverty alleviation programmes/schemes. The Committee, therefore strongly recommend that comprehensive monitoring should be done at the Central level and periodical and timely review of the functioning of the programmes under implementation should be made by a high level body of the Ministry of Urban Employment & Poverty Alleviation so as to ensure proper implementation of the schemes. The Committee also recommend that concrete steps must be taken to obviate incidences of rush hour spending or release of funds towards the fag end of a financial year so that the allocated budgetary funds are utilized constructively. The Ministry should chalk out a time-frame regarding releases of funds under the Centrally Sponsored Scheme of their Ministry to States/UTs.

CHAPTER III

URBAN POVERTY ALLEVIATION PROGRAMMES

Urban Poverty Alleviation

3.1 As per the 10th Five Year Plan document of the Planning Commission, the number of urban unemployed in the country for 1999-2000 was 7.11 million, i.e. 7.65% of the labour force. The number of persons living below the poverty line in urban areas is estimated to be 67.1 million, i.e. 23.62% of the total urban population. As per the Poverty Estimates prepared by the Planning Commission, the National average per capita income defining the Poverty line for the urban areas, as in 1999-2000, Rs. 454.11 per month. In order to combat poverty in the country, the 10th Five Year Plan has targeted a reduction of poverty ratio by 5 percentage points by 2017 and by 15 percentage points by 2012.

3.2 In order to tackle the massive problem of unemployment/ poverty a multipronged strategy has to be formulated with more schemes with adequate financial allocations and their effective implementation. As per the 10th Plan document the implementation of programme for the urban poor is beset with enormous problems. The problem of inadequate funding has been compounded by under-utilisation of Central funds, diversion of funds released for specific programmes, and infructuous expenditure. Monitoring at the Central level has been weak and ineffective. Success stories have not been publicised or adopted on a wider scale. The understanding of the programme, their objective and modalities relating to implementation has been weak and superficial, leading to inaction in many areas that are of vital concern to the urban poor. There are few master plans and very little effort at monitoring the benefits that are expected to flow to the target communities. In addition, there has been too much emphasis on engineering or the works aspects of programmes without adequate understanding of the social, psychological and other dynamics of poverty. Many a times even the beneficiaries have not been consulted nor given a voice in the implementation of programmes.

3.3 When asked about the success of the Government in alleviation of poverty in realistic terms, the Ministry of Urban Employment & Poverty Alleviation in a written note has stated that in 1993-94, the

urban poverty ratio was 32.4% and it came down to 23.6% in 1999-2000 *i.e.* a decrease of 8.8%. This decrease in poverty ratio can *inter-alia*, be attributed to the impact and effective implementation of the various urban poverty alleviation programmes of the Government.

3.4 Regarding this vital question of eradication of urban poverty and the growing volume of urban unemployment in the country and the mode to confront this misery, the Ministry of Urban Employment & Poverty Alleviation have informed the Committee that the Ministry of Urban Employment Poverty Alleviation is implementing an urban poverty alleviation scheme named Swarna Jayanti Shahari Rozgar Yojana on all India basis. Taking into consideration the availability of funds under the Scheme, including the unspent balances from earlier poverty alleviation schemes, in the 10th Plan (2000-07) a target to provide 4 lakh self employment opportunities and 5 lakh skill upgradation opportunities to the BPL persons has been fixed. In addition, under Wage Employment component of the Scheme, there is a provision to provide wage employment to the BPL population.

3.5 On a question of adequacy of funds allocated for the employment and poverty alleviation programmes including the allocation of Rs. 830 crore for 2004-2005 for urban employment and poverty alleviation to solve the problem urban poor in this area, the Ministry in the written reply has stated that the allocation of Rs. 830 crore for 2004-05 is for all the schemes implemented by the Ministry of Urban Employment & Poverty Alleviation and SJSRY is the urban poverty alleviation programme and the allocated funds are inadequate to meet the requirement of the urban poor population of 67.1 million.

3.6 The Committee note that in 1993-94, the urban poverty ratio was 32.4% and it came down to 23.6% in 1999-2000 *i.e.* a decrease of 8.8%. The Committee are, however, not at all convinced by the stand taken by the Ministry that this decrease in poverty ratio is attributed to the impact and effective implementation of the various urban poverty alleviation programmes of the Government as they are of the firm view that the Government have yet to go a long way in tackling the problem of poverty alleviation and effective implementation of schemes/programmes earmarked for upliftment of the urban poor population. The Committee endorse the observation made in the 10th Plan Document that the implementation of programmes for the urban poor is beset with enormous problems and the problem of inadequate funding has been compounded by under-utilisation of Central funds, diversion of funds released for

specific programmes, and infructuous expenditure. The Committee, therefore, recommend that concerted efforts be made by the Central as well as the State Governments in line with the planned objectives of poverty eradication by way of efficient monitoring at the Central level and involvement of State level coordinators, urban local bodies and NGOs.

3.7 The Committee note that the Ministry's contention is that the funds allocated to the poverty alleviation scheme are inadequate to meet the requirements of about 67.1 million urban poor population. In this respect, the Committee would like to emphasize that ongoing poverty and employment schemes should be fully and effectively implemented at first in the States and periodic and timely monitoring of the schemes should be carried out at Central level. The Committee are also of the firm view that appropriate punitive measures must be taken at the Ministerial level in cases where misuse and diversion of funds has come to the notice. The Committee would like to be apprised of the steps taken in this direction at the earliest.

Allocation for North-Eastern Region including Sikkim

3.8 A decision was taken by the Government of India in the year 2001 that 10% of the total budget provision for the Ministries/ Departments will be spent on the projects/schemes of development for the North Eastern Region including Sikkim. Funds under the provision are non-lapsable and unspent balances under this provision in a financial year are pooled up in the non-lapsable central fund meant for these States, and are governed by the Department of Development of North-Eastern Region.

3.9 Ministry of Urban Employment and Poverty Alleviation in concerned with the project proposals for the North-Eastern States in the following identified areas:

(i) Housing projects (predominantly for the urban poor)

(ii) Poverty alleviation projects.

(iii) Slum improvement/upgradation projects.

Accordingly, the project proposals are invited from the State Governments of North Eastern Region including Sikkim and considered in the Department of Urban Employment & Poverty Alleviation under the 10% lump sum provision of the Budget of the Department of Development of North Eastern Region, placed separately for the projects/schemes for the benefit of North Eastern Region and Sikkim.

3.10 Financial allocations made under the scheme for the years 2002-2003 to 2004-2005 are as under:

(Rs. in crore)

Year	Budget Estimates	Revised Estimates	Actual Expenditure
2002-2003	62.50	62.50	44.17
2003-2004	62.50	62.50*	51.00
2004-2005	83.00	—	1.54

*Rs. 10.50 crore re-appropriated to SJSRY and was fully utilised. Rs. 1.00 crore was re-appropriated to VAMBAY and was fully utilised.

3.11 When asked for reasons for variations in budget estimates, revised estimates and actual expenditure during 2002-2003, 2003-2004 and BE 2004-2005 the Ministry has stated in a written reply that during 2002-2003 at the BE stage Rs. 62.50 crore only were provided. NE States and Sikkim had furnished their Project Proposals very late during the year 2002-2003. On receipt of these Project Proposals, these were got appraised through National Building Construction Corporation (NBCC). NBCC also took some time in the appraisal of these Reports as it involved site visits and detailed consultations with the concerned State Government Officials. Therefore, the Ministry could released Central funds to the Executing Agencies in the last Quarter of the Financial year.

3.12 The Committee note that consequent to a decision taken in 2001 by the Government, 10% of the total budget provision of the Ministries/Departments is liable to be spent for the development projects in North Eastern States including Sikkim. The Ministry of Urban Employment and Poverty Alleviation also implements the schemes/programmes related to following areas viz. **(i) Housing projects predominantly for the urban poor; (ii) Poverty alleviation projects and (iii) Slum improvement/upgradation projects. The financial allocations for the year 2002-2003 amounted to Rs. 62.50 crore and the Actual expenditure amounted to Rs. 44.17 crore and for the year 2003-2004, the budget allocation amounted to Rs. 62.5 crore but the actual expenditure amounted to Rs. 51 crore. Regarding the year 2004-2005, the budget estimate is equal to Rs. 83 crore. On the question of under-spending and existing variations in budget estimates, revised estimates and actual expenditure during 2002-2003 and 2003-2004, Ministry have explained that North Eastern States**

and Sikkim had furnished their Project Proposals very late during the year 2002-2003. On receipt of these Project Proposals, these were got appraised through National Building Construction Corporation (NBCC). NBCC also took some time in the appraisal of these Reports as it involved site visits and detailed consultations with the concerned State Government Officials. Therefore, the Ministry could release Central funds to the Executing Agencies in the last Quarter of the financial year. The Committee deprecate that the Central funds had been released to the executing agencies in the last quarter of the Financial year, thereby leaving ample possibility for incidence of unspent balances. The Committee recommend that proper efforts should be made by the Ministry to address the North Eastern State Governments to expedite their submission of project proposals for timely release of funds and concerted measures be also taken by NBCC in the appraisal of the proposals revised from the States so that the schemes/programmes could be implemented in a time-bound manner.

Urban Poverty Alleviation Programmes

1. Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

3.13 Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched on 01.12.1997 after subsuming the earlier three Urban Poverty Alleviation Schemes, namely Urban Basic Services for the Poor (UBS), Nehru Rojgar Yojana (NRY) and Prime Ministers Integrated Urban Poverty Eradication Programme (PMIUPEP), with a view to provide gainful employment to the urban unemployed or underemployed through encouraging the setting up of self-employment ventures or provision of wage employment. This programme relies on creation of suitable community structures and delivery of inputs is through the medium of urban local bodies and such community structure. The SJSRY is funded on 75:25 basis between Centre and States.

3.14 This programme targets the urban poor, as those living below the urban poverty line, as defined from time to time by the Planning Commission.

Salient Features of SJSRY

3.15 Swarna Jayanti Shahari Rozgar Yojana (SJSRY) consists of two major components, namely:

(a) The Urban Self Employment Programme (USEP)

(b) The Urban Wage Employment Programme (UWEP)

The Urban Self Employment Programme (USEP)

3.16 The salient features of this component are:

(i) Assistance to individual urban poor beneficiaries for setting up gainful self-employment ventures;

(ii) Assistance to groups of urban poor women for setting up gainful self-employment ventures. This sub-scheme has been titled as "The Scheme for Development of Women and Children in the Urban Areas (DWCUA)"

(iii) Training of beneficiaries, potential beneficiaries and other persons associated with the urban employment programme for upgradation and acquisition of vocational and entrepreneurial skills;

(iv) Special attention is given to women, person belonging to Scheduled Castes / Tribes, disabled persons and other such categories as may be indicated by the Government from time to time;

(v) The percentage of women beneficiaries under this programme should not be less than 30%. All other conditions being equal, women beneficiaries belonging to women-headed household, *viz*. widows, divorcees, single women or even households, where women are the sole earners, are ranked higher in priority. SCs and STs must be benefited at least to the extent of the proportion of their strength in local population. A provision of 3% should be reserved for the disabled;

(vi) There is no minimum educational qualification for beneficiaries under this programme. However, this scheme is not applicable to the persons educated beyond the IXth standard;

(vii) A house-to-house survey for identification of genuine beneficiaries is prescribed. Non-economic parameters are also applied to the urban poor in addition to the economic criteria for the purpose of prioritization within the BPL;

(viii) Setting up Micro-Enterprises with maximum unit cost of Rs. 50,000 and Skill Development of beneficiaries and to provide training and infrastructure support; and

(ix) Development of women and Children in Urban Areas (DWCUA) by encouraging the women to take up Self-Employment.

The Urban Wage Employment Programme (UWEP):

3.17 (i) This component seeks to provide wage employment to prospective beneficiaries living below the poverty line within the jurisdiction of urban local bodies by utilising their labour for construction of socially and economically useful public assets;

(ii) This programme applies to the urban local bodies having population less than 5 lakh as per the 1991 Census;

(iii) The material labour ratio for works under this component is to be maintained at 60:40. The prevailing minimum wage rate, as notified from time to time for each area, has to be paid to beneficiaries under this component;

(iv) This programme is dovetailed with the State Sector EIUD scheme as well as the NSDP. This programme is not designed to either replace or substitute the EIUS, the NSDP, or any other State Sector schemes.

Information, Education and Communication (IEC) and Community Structure Components.

3.18 With a view to playing an effective role in coordination and in organising training, monitoring, evaluation, dissemination of information etc. a new component of IEC has been evolved under SJSRY. It is proposed to have a coordinated and uniform level of training across the country for training of trainers, elected representatives, functionaries of Urban Local Bodies and field functionaries like Project Officers, Community Organisers etc. through National Training Institutes and selected State Training/Field Training Institutes.

3.19 Under SJSRY, Community Structure is created in all the urban towns of the country. The State Governments have taken action to set up community structure, create Community Development Societies (CDSs) and form Thrift & Credit Society etc.

Allocation of funds under Swarna Jayanti Sahari Rozgar Yojana (SJSRY)

3.20 Total outlay for the SJSRY scheme during the 9th Five Year Plan and 10th Five Year Plan (first three years) is Rs. 1009 crore and Rs. 541 crore respectively. Year-wise outlay details are as under:

Year	Amount
9th Five Year Plan (Total outlay Rs. 1009 crore)	
1997-98	Rs. 102.54 crore
1998-99	Rs. 162.28 crore
1999-2000	Rs. 126.35 crore
2000-2001	Rs. 95.03 crore
2001-2002	Rs. 45.50 crore
10th Five Year Plan (Total outlay Rs. 541 crore)	
2002-2003	Rs. 105.00 crore
2003-2004	Rs. 94.50 crore
2004-2005	Rs. 103.00 crore

3.21 When asked whether the low allocation of funds in the 10th Plan as compared to the 9th Plan is an indicator of Ministry's inability to fully utilise the amount provided for the Scheme, the Ministry in their written reply has stated that the low allocation of funds in 10th Plan by the Planning Commission as compared to the 9th Plan is because of the fact that the unspent balance of the earlier schemes in the 9th Plan was more than Rs. 553 crore and the amount made available in the Scheme in the 9th Plan was Rs. 531.68 crore. State-wise details of funds available at the beginning of the SJSRY Scheme in the 9th Plan as also the availability of the funds in the beginning of the 10th Plan are given in the *Appendix-III.*

3.22 When asked about the amount of unspent balances left with States / UTs as on 30.06.2004 under SJSRY, the Ministry has stated that as on 30.06.2004, an amount of Rs. 271.55 crore was available with the States / UTs as unspent balances (both Central+States share) under the SJSRY Scheme.

Physical progress under SJSRY

3.23 When asked about the physical targets, if any, laid down for the scheme during the 9th Plan and 10th Plan period the Ministry has stated that during the 9th Plan no physical targets were fixed under the Scheme and it was left to the States/UTs concerned to fix the targets at State level as per their needs. However, in the 10th Plan, under SJSRY, target of 4 lakh self-employment benefits and skill development training to 5 lakh BPL persons have been fixed. Physical progress of the Scheme year-wise as well as cumulative since inception of the Scheme (1997-98) is given in the *Appendix-IV*. Cumulative physical progress reported by the States under the scheme upto 31.3.2004 is given as under:

Community Structures:

(a) No. of Urban Poor identified under the Scheme-317.17 lakh

(b) No. of towns where house to house survey conducted-3528 towns

(c) No. of Community Development Societies formed-6669.

Urban Self Employment Programme (USEP) & Development of Women and Children in Urban Areas (DWCUA)

(a)	No. of beneficiaries assisted to set up micro Enterprises	5,11,030
(b)	No. of DWCUA groups formed	30,636
(c)	No. of women beneficiaries assisted under DWCUA Groups to set up Community Self-Employment Ventures	97,042
(d)	No. of persons trained for skill up gradation	5,98,111
(e)	No. of Thrift & Credit Societies formed	1,03,843

Urban Wage Employment Programme (UWEP)

No. of mandays of work generated	484.22 lakhs

3.24 The house-to-house survey has been reported to have been conducted by the States/UTs in 3528 towns out of a total of 3770 towns identified under the Scheme Number of identified towns where

house-to-house survey is yet to be conducted under scheme is 242. State-wise details are given below:

Sl. No.	Name of States	No. of identified towns where house-to-house survey is yet to be conducted
1.	Assam	1
2.	Bihar	103
3.	Chhattisgarh	35
4.	Jammu & Kashmir	45
5.	Jharkhand	47
6.	Madhya Pradesh	2
7.	Punjab	3
8.	West Bengal	6
	Total	242

3.25 When asked about the reasons for not conducting the house-to-house survey in the remaining identified towns, the Ministry has stated that in most of the States, in newly created towns, survey is yet to take place. In the case of Bihar and Jharkhand, response of the State Government is still awaited, despite several reminders.

Monitoring/Evaluation of SJSRY

3.26 The scheme is being monitored through quarterly progress reports and periodical review meetings under the Chairmanship of Minister / Secretary / Joint Secretary / Deputy Secretary of the Ministry. To further improve the implementation of the Scheme, a proposal to modify the guidelines of the scheme is under consideration of the Government on the basis of the problems faced by the States / UTs. The revised guidelines are likely to be implemented in due course.

3.27 When asked whether the views of all concerned including beneficiaries have been taken into consideration before modifying the guidelines, the Ministry in a written reply stated that the views of all the stakeholders will be taken into consideration before finalising the proposal for modification of the guidelines. It is expected that the

modified guidelines of the scheme will expand the scope of SJSRY Scheme to cater to the requirements of the urban poor to a greater extent.

3.28 When asked about the problems being faced by the States/UTs in the implementation of the Scheme, Ministry in their written reply has stated that the major problems being faced by the States/UTs in the implementation of the Scheme are *inter alia*, non-cooperation by the banks in providing micro credit to the urban poor and non-formation of Self Help Groups (DWCUA) due to diversity in the community structure.

3.29 When asked whether banks are meeting the credit needs of beneficiaries/self help groups, the Ministry has stated that they are monitoring the implementation at the State level only. Bank related issues that come up during the course of the implementation are being sorted out at the ULB with the concerned banks and at the State Level Bankers Committee Meeting. However specific cases of non cooperation by the Banks brought to the notice of the Ministry are taken up with the RBI.

3.30 Concurrent evaluation of SJSRY in six States of Andhra Pradesh, Karnataka, Madhya Pradesh, West Bengal, Rajasthan and Uttar Pradesh has been got conducted through Indian Institute of Public Administration (IIPA) and other renowned agencies. A study of "Evaluation of SJSRY in the country" has been entrusted to Human Settlement Management Institute (HSMI), New Delhi, in March, 2004. The study will cover all the States/UTs.

3.31 As regards the implementation and monitoring of the programmes/schemes under the Ministry, the representatives of the Ministry stated during the course of oral evidence that:

> "Implementation is invariably through State Government or through the Scheduled Castes Development Corporation in the State Governments, State Urban Local bodies, municipal bodies and the like."

3.32 The representatives of the Ministry added that it may not be too presumptuous to say that there is in fact a tremendous need on our part to further step up and intensify our efforts towards improving the implementation of these schemes to make them not only more effective but also sustainable and meaningful.

3.33 The representative further stated that apart from VAMBAY in other schemes there is a weakness which is that we are dependent on the State Government and required intensive joint monitoring with the State Government has not yet been accomplished. For this, the Ministry will make efforts in future.

3.34 The Committee are constrained to note that about 50 per cent of allocation during the 9th Plan period had been made available for the SJSRY scheme, however, the unspent balances of the Scheme in the 9th Plan was to the tune of more than 553 crore. As on 30th June, 2004, the unspent balance amounting to Rs. 271.55 crore exists with the States/UTs. Since a tangible amount of unspent balances including the Centre and State shares persists to remain with the States/UTs, the Committee are of the firm view that urgent attention should be given by the concerned States/UTs towards this unspent balance.

3.35 The Committee recommend that earnest efforts be made by the Ministry of Urban Employment and Poverty Alleviation to provide an appropriate monitoring mechanism to ensure timely and full implementation of SJSRY Scheme. During the course of evidence, the representatives of the Ministry apprised the Committee that most of the Schemes are being implemented by the States and ULBs. The Ministry is trying for a joint monitoring mechanism with the State Governments and admitted that monitoring has to be stepped up and evaluation of the Schemes have not been done. For under-spending, it has been stated that States share has not been given in certain cases due to financial difficulties or inadequate funds. As assured by the Ministry, the Committee expect that effective monitoring mechanism is formulated in a specific time frame and the position is apprised to the Committee.

3.36 The Committee note that SJSRY scheme is being monitored through quarterly progress report and periodical review meetings under the Chairmanship of Minister/Secretary/Joint Secretary/Deputy Secretary of the Ministry. To further improve the implementation of the scheme, a proposal to notify the guidelines of the scheme is under consideration of the Government on the basis of the problems faced by the States/UTs. The revised guidelines are likely to be implemented in due course. The Committee desire that keeping in view the slow progress of the SJSRY the Ministry should strengthen the monitoring of the Scheme at both the Central and State levels by conducting field visits of the senior officers of the Ministry to

have first hand information about the actual implementation of the scheme. The Committee note that the Ministry is in the process of revising the guidelines of SJSRY. They would like that the various issues resulting in ineffective implementation of the programme should be analyzed threadbare after consultation with State Governments, Reserve Bank of India and other, respective Banks *viz.* Commercial, Cooperative Banks involved with the Scheme, Urban Local Bodies and NGOs, through them the public at large. The Committee would also like that the various issues raised by the erstwhile Standing Committee on urban and Rural Development with regard to SJSRY, should also be taken into consideration while finalizing the guidelines of the Scheme. The Committee hope that the revised guidelines of the Scheme would be finalised at the earliest. The Committee also hope that the revised/modified guidelines of the Scheme will expand the scope of SJSRY scheme to cater to the requirements of the urban poor to a greater extent including street vendors and hawkers.

3.37 The Committee are informed that during the 9th Plan, no physical targets were fixed under the SJSRY schemes and it was left to the State/UTs concerned to fix the targets at State level as per their needs. However, in 10th Plan under SJSRY target of 4 lakh self-employment benefits and skill development training to 5 lakh BPL persons have been fixed. The Committee are of the view that without fixing targets for a scheme, it is very difficult to assess the success of a scheme. The Committee hope that all out efforts will be made to meet the targets as set forth by the Government.

3.38 It may be pointed out that the Committee (2003) had conducted an on the spot study visit to Aurangabad on 11 September, 2003 and they found that SJSRY was being implemented in a novel way. Under the Scheme, two Lok Seva Kendras were established. The Kendras were acting as a service provider to meet the day today needs of plumbing, electrical, masonry works of the local residents. The youth trained in various such trades were enrolled with the Kendras,—Municipal Corporation had provided telephone instruments and furniture worth Rs. 12,000 for each of the Kendra. Wide publicity was also given by the Municipal Corporation. The Committee found it a novel way of providing employment to unemployed youths as well as providing the basic services to the local residents. The Committee desire that the Government should explore the feasibility of adopting the above novel model on all India basis so as to provide gainful employment to unemployed trained youths.

3.39 The Committee note under the Community structures component of SJSRY schemes house to house survey is yet to conducted in 242 towns. The break-up of 242 towns is as given below:

Assam	**1**
Bihar	**103**
Chhattisgarh	**35**
Jammu & Kashmir	**45**
Jharkhand	**47**
Madhya Pradesh	**2**
Punjab	**3**
West Bengal	**6**
Total	**242**

3.40 The Committee are surprised to find that during the examination of Demands for Grants (2003-2004) of the erstwhile Department of Urban Employment and Poverty Alleviation, the Department had furnished a figure of 230 towns where house to house survey was yet to be conducted. Now this year the Ministry has informed the Committee that house to house survey under the Scheme is yet to be conducted in 242 towns. The Committee desire that the Ministry should verify the accurate number of towns where house to house survey is yet to be conducted and hope that in future the Ministry would furnish accurate data to the Committee. The Committee would like to emphasise that Ministry should complete the first stage of the programme i.e. identification of beneficiaries by conducting house to house survey in remaining towns where house to house survey is yet to be conducted as without the identification of beneficiaries it is very difficult to fix the physical targets and assess the achievement of the Scheme. The Committee hope that the Government would impress upon the State Governments to conduct house to house survey in the remaining 242 towns at the earliest.

3.41 The Committee note that as per the guidelines of the Urban Self Employment Programme (USEP) there is no minimum educational qualifications for beneficiaries under the programme. However, this Scheme is not applicable to the persons educated beyond the 9th Standard.

3.42 The Committee feel that as per the guidelines, the higher education beyond 9th Standard acts as an disincentive to urban poor as he is not entitled to avail of the benefits of the Scheme. The Committee feel that there is a need to review the said condition. The benefit under the scheme should be available to urban poor irrespective of his educational qualification so that more and more young poor can come forward and by getting the benefits of the Scheme cross the poverty line.

3.43 The Committee note that the erstwhile Nehru Rozgar Yojana meant to provide employment to poor urban youth was restructured as SJSRY. The Committee conclude from what has been stated above that there are serious problems being faced in the implementation of the Scheme as has been admitted by the Ministry itself. There is no proper monitoring mechanism, Union Government is dependent upon the State Governments for monitoring. Further, even the survey for identification of beneficiaries that is the first stage of implementation is underway. Beyond this there is the problem of non-cooperation of Banks. The Committee feel that at the field level there are certain type of problems *viz*. huge gap between the number of applicants and the sanction and disbursement of loan, the applications are rejected on flimsy ground. All the issues related to the Banks should be sorted out after interaction with the Ministry of Finance, RBI and the concerned Banks. There should be a mechanism to hold the regular meetings with RBI and Banks and the necessary follow-up action should be taken to make the programme effective. Not only that there is a need to improve the delivery mechanism of the Scheme through augmenting training and proper monitoring. Further stress should be on Self Help Groups by providing them forward and backward linkages. The Ministry should think of providing better market facilities to enable SHGs to sell their products. Besides, the products made by SHGs should be sold through various Shilp Melas like Saras being organized at Delhi International Trade Fair. Such melas should be organized in other big cities also of the country. Besides, like Delhi Haat, in other cities too such Haats should be opened and the products produced by SHGs should be sold. Wide publicity should also be given to the products produced by the SHGs so as to encourage them. Another area of concern is to make the products produced by Self Help Groups (SHGs) competitive. There is a need to provide training to improve the quality of the products. More and more NGOs should be involved in the task. SHGs should be involved in the trade according to the local needs of the area where these are manufactured

so as to ensure the viability of SHGs. Once SHGs are viable and are engaged in profit making activity, there will not be any problem of Bank loan. Banks would come forward themselves to provide loan under the Scheme. In view of the aforesaid position there is an urgent need to take all the corrective steps as given above so as to make the programme more effective.

2. Valmiki Ambedkar Awas Yojana (VAMBAY)

3.44 With a purpose to provide shelter or upgrade the existing shelter for people living below poverty line in urban slums in a march towards the goal of slumless cities with a healthy and enabling urban environment, a new Centrally Sponsored Scheme called Valmiki Ambedkar Awas Yojana (VAMBAY) was launched during the year 2001-2002 in accordance with the announcement made by the Hon'ble Prime Minister on 15th August, 2001. The target group under VAMBAY is all slum-dwellers in urban areas, who are below the poverty line including members of EWS, who do not possess adequate shelters. Nirmal Bharat Abhiyan is an integral component of VAMBAY for construction of community toilets and sanitation. The funding pattern under VAMBAY would be 50:50 basis between the Central and State Governments.

Financial allocation

3.45 Valmiki Ambedkar Awas Yojana (VAMBAY) was formally launched on 02.12.2001 with a budget provision of Rs. 69.00 crore provided out of the savings of the Departmental budget during the year 2001-2002. However, a sum of Rs. 73.56 crore was finally released out of the savings of the Departmental budget during the year 2001-2002.

3.56 In the 10th Plan Rs. 2040 crore have been allocated for the scheme. The detail of financial allocation during the last three years is as under:

2002-2003	Rs. 256.85 crore
2003-2004	Rs. 238.50 crore
2004-2005	Rs. 280.58 crore

3.47 Out of total allocation of Rs. 256.85 crore for the year 2002-2003 under VAMBAY, central subsidy of Rs. 218.35 crore was released for construction of 110388 dwelling units (more than the target set i.e. 1,00,000) and 21,488 community toilets. However, 15% of the allocated

amount could not be utilised due to non-receipt of proposals, complete in all respects, from the State Governments in some of the components of VAMBAY though in shelter component the demand was enough to utilise all the allotted amount. The request for re-appropriation of funds from other components of VAMBAY to the shelter component was taken up with Ministry of Finance. They however, did not agree to the request.

3.48 In the year 2003-2004, an amount of Rs. 238.55 crore was utilised under the scheme an amount of Rs. 95 lakh was surrendered under rental housing component for want of projects from the States, while additionally a sum of Rs. 1.00 crore was utilised under the scheme from the NER lump sum fund.

3.49 When enquired about the major components of VAMBAY where demands were not enough to utilise all the allotted amount the Ministry in a written reply have stated that Nirmal Bharat Abhiyan (NBA) is the only major component of VAMBAY where enough demand was not received in the year 2002-2003 and 2003-2004.

Target

3.50 No physical target has been prescribed under VAMBAY for the entire period of 10th Five Year Plan as VAMBAY being a demand driven scheme. However, the then Prime Minister had set a target of construction of one lakh dwelling units in the financial year 2002-2003. Similarly, at target of construction of 1.06 lakh dwelling units was set internally by the Ministry for the financial year 2003-2004. For the current financial year 2004-2005, a target of construction of 1.12 lakh dwelling units has been set internally by the Ministry.

3.51 Under VAMBAY Central Subsidy is granted for construction of dwelling units @ Rs. 20,000 for general cities, Rs. 25,000 for Metro cities and Rs. 30,000 for mega cities and for construction of toilet seats @Rs. 20,000/-per WC. Target is fixed by taking average cost of construction of a dwelling units i.e. Rs. 25,000.

3.52 When asked whether States/UTs have ever requested the Ministry to enhance the existing cost of construction of a dwelling unit under VAMBAY the Ministry has stated that some of the States, like, Karnataka, Madhya Pradesh, etc., have requested to enhance the existing cost of construction/central subsidy of a dwelling unit. The revision in cost ceiling can be considered on merits when modifications to VAMBAY guidelines are examined.

Monitoring/Evaluation

3.53 The VAMBAY scheme is being monitored at the National Level through regular review meetings at Secretary/Joint Secretary levels with the State Government's Secretaries/nodal Officers. Core groups from HUDCO have also been formed which have started visiting the States for overseeing the implementation of the programme. The Government of India has issued an order for the formation of a State Level Coordination Committee (SLCC) for monitoring the implementation of VAMBAY at the State Level.

3.54 When asked about the details of the work done so far by the Core Group for overseeing the implementation of the Scheme the Ministry in a reply has stated that initially Core Groups were formed in HUDCO to oversee the implementation of VAMBAY in the States where projects were being implemented. However, orders were issued by the Ministry formally for constitution of State Level Co-ordination Committees (SLCC) comprising State Government/agency officials, representatives of the Ministry, HUDCO and NGOs to monitor the progress of VAMBAY scheme in the States.

3.55 The Committee note that main purpose behind VAMBAY scheme is to provide shelter or upgrade the existing shelter for BPL persons living in urban slums of the country. This scheme, launched in 2001-2002 has been allocated funds amounting to Rs. 2,040 crore in the Tenth Plan period. The financial allocation in 2002-2003 amounted to Rs. 256.85 crore and in 2003-2004 the allocation was to the tune of Rs. 238.50 crore. Out of the total allocation of Rs. 256.85 crore for the year 2002-2003 under VAMBAY, central subsidy of Rs. 218.35 crore was released for construction of 1,10,388 dwelling units (more than the target set i.e. **1,00,000) and 21,488 community toilets. However, 15% of the allocated amount could not be utilised due to non-receipt of proposals from the State Governments in some of the components of VAMBAY though in shelter component, the demand was enough to utilise all the allotted amount. In such circumstances, the Committee cannot but express their distress about the sorry state of affairs of implementation of the VAMBAY scheme. The Committee are compelled to re-emphasise that the delivery mechanism of the Ministry needs to be really beefed up in coordination with the concerned State Governments and ULBs. The Committee recommend that an accountable system of checks should be chalk out so as to ensure timely release of funds and full implementation of VAMBAY programme. The Committee would like to be apprised about the steps taken in this regard in due course.**

3.56 The Committee find that VAMBAY was started in the year 2001. They note that under Nirmal Abhiyan Component of VAMBAY, sufficient demand was not received during 2002-2003 and 2003-2004. The Committee note that almost three years have elapsed since the Scheme was started. The Ministry should review the various components of the Scheme in consultation with State Governments and Urban Local Bodies so that projections for the different components of VAMBAY can be made. After a review of various components and after proper analysis the Government should revise the guidelines.

3.57 The Committee are contented to note that VAMBAY being a demand driven scheme, a target of construction of 1.12 lakh dwelling units has been set internally by Ministry for the current financial year 2004-2005. The Committee are of the firm view that it is essential to have a target for achieving as well as assessment of implementation of a scheme like VAMBAY which is the only scheme for providing shelter or upgrading the existing shelter for slum dwellers in urban slums.

3.58 The Committee note that under VAMBAY Central subsidy is granted for construction of dwelling unit @Rs. 20,000 for general cities, Rs. 25,000 for Metro Cities and Rs. 30,000 for mega cities. Some States like Karnataka, Madhya Pradesh etc. have requested to enhance the existing cost of construction/central subsidy of a dwelling unit. The Committee have been given to understand that the funding pattern under VAMBAY between Central and State Governments is on 50:50 basis. In regard to unit cost of dwelling unit as given above, the Committee are of the opinion that meaningful amount of Central subsidy should be granted to the State Governments for construction of dwelling units keeping in view the current market prices and cost of construction involved in the units. The Committee, therefore, recommend that comprehensive State-wise assessment of escalation of cost of construction of units under the VAMBAY scheme should be made and the central subsidy for VAMBAY projects be enhanced, accordingly.

3.59 The Committee note that initially Core Groups were formed in HUDCO to over-see the implementation of VAMBAY in the States

where projects were being implemented. However, orders were issued by the Ministry formally for constitution of State level Co-ordination Committees (SLCC) comprising of State Government/agency officials, representatives of the Ministry, HUDCO and NGOs to monitor the progress of VAMBAY scheme in the States. In this regard, the Committee are of the firm view that State Level Co-ordination Committees should involve local representatives and also end beneficiaries for monitoring the implementation of VAMBAY at the State level to plug the loopholes or lacunae in implementation of the Scheme at the grass-root level. The Committee also desire that for further strengthening the monitoring of the Scheme at both the Centre and State level, regular field visits should be made by the Senior Officers of the Ministry/HUDCO to have the first hand information of the schemes so as to ensure that the benefits of VAMBAY reach the genuine beneficiaries.

4. Integrated Low Cost Sanitation Scheme for liberation of Scavengers (ILCS)

3.60 This Centrally Sponsored scheme has been under implementation through Ministry or Urban Development since 1989-90 till 2003-2004. This scheme has been transferred to Ministry of urban Employment and Poverty Alleviation *w.e.f.* 2004-2005 as regards budgetary provision but its implementation has been effected by this Ministry *w.e.f.* 2003-2004 itself. It provides for conversion of existing dry latrines into low cost water seal pour flush latrines and construction of new sanitary units where none exist to prevent open defecation. The basic objective is to liberate the scavengers from the obnoxious practice of carrying head loads of night soil and the scheme is being implemented on a whole town basis.

3.61 The National Action Plan for Total Eradication of Manual Scavengers prepared by the Planning Commission envisages total eradication of manual scavenging by 2007.

3.62 The scheme is being operated by providing subsidy from Ministry of Urban Employment and Poverty Alleviation and loans from Housing and Urban Development Corporation (HUDCO) in a synchronised manner so that the conversion/construction of low cost

sanitation units and liberation of scavengers is done on a whole town basis. The financing pattern in the scheme is as under:

(1) For substructure *i.e.* upto plinth level:—

Category	Subsidy	Loan	Beneficiary Contribution
EWS	45%	50%	5%
LIG	25%	60%	15%
MIG / LIG	Nil	75%	25%

(2) For superstructure *i.e.* above plinth level:—

Category	Subsidy	Loan	Beneficiary Contribution
EWS	Nil	95%	5%
LIG	Nil	85%	15%
MIG	Nil	75%	25%
HIG	Nil	60%	

3.63The HUDCO is extending loan at an interest rate of 8% floating or 8.5% fixed per annum. The loan is recoverable over a period of 7 years. The progress of the ILCS scheme in the country upto 31.03.2004.

1.	Total No. of Schemes Sanctioned by HUDCO	866
2.	No. of Towns covered	1534
3.	Project cost of sanctioned schemes	Rs. 2,04,328.14 lakh
4.	Subsidy sanctioned	Rs. 56,847.81 lakh
5.	Loan sanctioned	Rs. 77,501.38 lakh
6.	Subsidy released by HUDCO to State	Rs. 29,360.44 lakh
7.	Loan released by HUDCO to State	Rs. 47,877.80 lakh
8.	No. of units sanctioned for Conversion+Construction	51,69,580
9.	No. of units completed Conversion+Construction	17,30,194
10.	No. of units in progress Conversion+Construction	3,11,860
11.	No. of scavengers to be liberated with the implementation of sanctioned schemes.	1,18,464

The Financial performance of the Scheme is as below:—

(Rs. in crore)

Year		Actual Expenditure (released to HUDCO)
Ninth Plan	1997-1998	26.80
	1998-1999	23.80
	1999-2000	27.35
	2000-2001	29.80
	2001-2002	10.00
Tenth Plan	2002-2003	04.80
	2003-2004	04.80
	2004-2005	10.00 (upto 15th June, 2004)

3.64 The total outlay endorsed by the Planning Commission for the 9th Plan was Rs. 200 crore. However, the actual amount released upto March, 2002 was Rs. 117.75 crore.

3.65 In the 10th Plan, Rs. 200 crore have been allocated for the scheme. For the year 2004-2005, an amount of Rs. 30 crore has been proposed.

3.66 When asked about the reasons for slow financial and physical progress of ILCS Scheme the Ministry has stated that the main reasons for the slow financial and physical progress are as under:

- Some State Governments are not according priority to the programme. There is delay in providing government guarantee and budgetary provision for the loan component. Time overruns result in cost overruns and even changes in demand position resulting in revision of scheme and further delay in implementation.
- In some States where loan portion is fully arranged by the State Governments out of their State budgets, the progress is slow, as such, contributions from the State budgets are not forthcoming. Such states use only the upfront subsidy and curtail the original scope of work without submission of Utilisation Certificates.

- Some State nodal agencies do not send the utilisation certificates in respect of the availed subsidy amounts.

3.67 When asked about the difficulties being faced by implementing agencies in the implementation of ILCS Scheme, the Ministry stated that the difficulties being faced by the implementing agencies are :

- There is no fund for Information, Education and Communication (IEC).
- In the absence of subsidy for super-structure portion, the units are seldom completed and funds remain unutilized.
- In the congested areas, due to non-availability of sufficient space, the individual latrines can not be constructed with twin pits.
- Units connected to under ground sewerage in view of land constraint or construction of community toilets as alternative solution are not eligible for subsidy.
- Poor recovery from individuals.
- State Governments being reluctant to provide Govt. guarantee for securing HUDCO loan, where loan & subsidy are sought to be dovetailed.
- In the year 2000, the Hon'ble Delhi High Court issued orders on submission of Utilisation Certificates (UCs) for the availed subsidy. With this in view, no new proposals were to be sanctioned tot he States with pending UCs and no further release in the schemes with pending UC (for the same borrowing agency). This affected the States, more so those states which had only one nodal agency, as non-submission of U.C. for one scheme or town led to stopping of funds for the remaining.

3.68 When asked about the steps being taken by the Government in removing above difficulties, the Ministry in a written reply stated that the National Action Plan for Total Eradication of Manual Scavengers prepared by the Planning Commission has proposed funds for IEC (Information, Education, Communication), involvement of NGOs, subsidy for complete unit including superstructure etc.

3.69 When asked about the steps taken by the Ministry and HUDCO for better performance and monitoring of the Scheme the Government have stated in a written reply that HUDCO have circulated the formats for reporting under the programme and periodical progress reports are received by the Ministry from HUDCO.

3.70 The Committee are constrained to note the slow financial and physical progress of ILCS Scheme. The Scheme is infested with numerous problems. The Committee express their doubt as to whether manual scavenging could be eradicated by 2007 as envisaged in the National Action Plan for Total Eradication of Manual Scavengers given the present state of functioning of this scheme. The Committee feel that it is a matter of shame for the country that after 50 years of planned development, abolition of manual scavenging is still a distant dream. Manual Scavenging need to be eradicated at any cost. It is an insult to the humanity and in no way can be tolerated. The Government should make earnest efforts and persuade the States where the scheme has not been successful. An earnest effort is required with proper motivation and action. Periodical review of the Scheme is necessary with proper punitive legal action against those who are indulgent. The Committee deprecate the continuous inhuman use of manual scavengers and desire that urgent corrective measures be made in this regard. The Committee therefore, recommend that the Government should review the existing guidelines of the Scheme and modify the terms of reference of the Scheme so as to make it feasible and liberate the Scavengers from the obnoxious practice of manual scavenging. The Committee also recommend that liberation and rehabilitation of Schemes for scavengers should also be integrated with this Scheme for effective implementation and proper monitoring so that better results could be achieved and manuals cavenging is eradicated by 2007.

5. National Scheme for Liberation and Rehabilitation of Scavengers and their dependents (NSLRS)

3.71 The Scheme was launched in 1991-1992 with the objective of providing financial assistance to scavengers handling night soil and filth manually for their training and rehabilitation in the alternative occupations. As a consequence of Hon'ble Prime Minister's announcement on Independence Day 2002 regarding total abolition of Manual Scavenging by 2007, it was decided to ensure convergence of different Schemes on the subject handled by different Ministries. Accordingly the National Scheme of Liberation and Rehabilitation of Scavengers and their dependents (NSLRS) was transferred form Ministry of Social Justice and Empowerment tot he Department of Urban employment and Poverty Alleviation (Ministry of Urban development and Poverty Alleviation) in the year 2003-2004.

3.72 Under the Scheme, assistance is provided for training in the institutes run by the Government, local bodies and NGOs as per

TRYSEM norms. The training is given for a maximum duration of six months. Stipend @Rs. 200 to Rs. 500 is provided depending upon the training institute. Cost of raw materials, allowance for tool kit, etc. are covered under the Scheme.

3.73 Apart from assistance for training, the scanvegers are assisted for taking up alternate projects costing upto Rs. 50,000. This is funded through 50% subsidy subject to a ceiling of Rs. 10,000, 15% of the project cost as margin money loan which is shared between the central and State Governments in the ratio of 49:51, and the rest is provided as loan.

3.74 The entire subsidy is provided by Government of India as 100% grant. The margin money is provided by the State Schedule Caste Development Corporation at a concessional rate of interest of 4%. Banks provide the loan component under their priority sector lending. The National Safai Karamchari Finance and Development Corporation(NSKFDC) is also now providing loans.

3.75 The Scheme is implemented by the respective State SCDCs. In States where such Corporations have not been set up, the Scheme is implemented by the State Governments.

Rs. 736.41 crore have been released for assisting 1,68,184 scavengers for training and 4,28,139 for rehabilitation upto 2003-04.

Physical and financial achievements

3.76 The physical and financial performance of the Scheme since 1997-98 is given below:—

Year	Central Assistance Released (Rs. in crore)	No. of Scavengers Trained	No. of scavengers assisted for Rehabilitation
1997-98	90.00	15476	32771
1998-99	5.90	7981	37122
1999-2000	70.00	7184	27283
2000-01	60.92	5063	24740
2001-02	9.20	15277	25954
22002-03	40.95	6266	12599
2003-04	24.27	**	**

**Information from States/UTs is still to be received.

3.77 The total outlay in the 9th Plan indicated by the Planning Commission for the above Scheme was Rs. 335 crore. However, the actual amount released till March 2002 was Rs. 236.02 crore. Rs. 460 crore have been allocated by the Planning Commission for the 10th Plan period. Rs. 20.00 crore has been proposed for the year 2004-2005.

3.78 When asked about the reasons for two financial progress of NSLRS Scheme the Ministry stated that the scheme was transferred to this Ministry in mid 2003-04 only. During the 2nd half of the year when the Scheme was with this Ministry, an amount of Rs. 24.27 crore were sanctioned and released. Prior to 2003-04, this scheme was being dealt with by Ministry of Social Justice and Empowerment and as reported by Ministry of Social Justice and Empowerment, huge unspent balances with the SCDCs was one of the main reasons for slow progress of the scheme.

3.79 However, some of the other reasons for slow progress of the scheme are :

(a) Lack of new schemes/proposals sent by the State/SCDCs.

(b) Non-submission of utilization certificates by the States on time.

3.80 When asked about the steps taken by the Government to reduce unspent balances available with State Scheduled Castes Development Corporation (SCDCs) the Government have stated that the State Governments have been impressed upon by the Ministry for utilizing the unspent balances of the amount sanctioned in the earlier years for eradicating the inhumane practice of manual scavenging.

3.81 The Committee appreciate that the two schemes viz. Integrated Low Cost Sanitation Scheme (ILCS) and National Scheme for Liberation and Rehabilitation of Scavengers and their dependents (NSLRS) dealing with the issue of liberating the Scavengers from the manual scavenging in different States and rehabilitation of the liberated Scavengers have been brought under one umbrella. The said scheme shave been transferred to the Ministry of Urban Employment and Poverty Alleviation from the Ministries of Urban Development and Social Justice and Empowerment respectively. The Committee hope that there will be better coordination between the two issues viz. liberation and rehabilitation of scavengers and the country would be able to get rid of the obnoxious task of manual scavenging expeditiously.

3.82 The Committee note that the main reasons for slow progress of the NSLRS scheme are huge unspent balances with State Scheduled Caste Development Corporation (SCDCs), lack of new schemes/proposals sent by the States/SCDCs and non-submission of utilization certificates by the State on time. The Committee take a serious view over the lack of response from the States and the fact that huge unspent balances with the SCDCs exists. The Committee desire that the Ministry should impress upon the State Governments to minimise the unspent balances under the scheme by effective implementation and submit the utilisation certificates on time.

6. Night Shelter Scheme for Urban Shelterless

3.83 The Scheme was launched in 1988-89 to ameliorate the shelter condition of absolutely shelterless and pavement dwellers in metropolitan cities. Since 1990-1991, this Scheme is being implemented through HUDCO. In the light of various suggestions from the implementing agencies, the scheme was modified in 1992 and again in 2002 in consultation with the Planning Commission and the Ministry of Finance. The present scheme is now limited to construction of Night Shelter with community toilets and baths with Central Subsidy for construction of composite night shelter @ 50% of the cost of construction subject to the cost-ceiling of Rs. 20,000/per bed for night shelter. Balance would be a loan from HUDCO (Optional) or any other organisation.

The component of independent pay and use toilets has sine been decided to be merged with VAMBAY.

Financial Allocations

Total 9th Plan outlay — Rs. 1.00 crore

The year-wise allocation is as under

Year	Amount (Rs. in crore)
1997-1998	1.00
1998-1999	1.00
1999-2000	1.00
2000-2001	3.40
2001-2002	4.56

Total outlay earmarked for 10th Plan is Rs. 30.97 crore B.E. for the year 2004-2005 is Rs 4.00 crore.

Physical and Financial progress

3.84 Cumulatively, as on 9.7.2004, HUDCO has sanctioned 99 Night Shelters/Pay and Use Toilets schemes. On completion, these projects would provide 17,599 beds, 17,279 WCs, 2,671 baths and 2,422 urinals. A subsidy of Rs. 1,580.21 lakh has been released by HUDCO for these schemes apart from loan release of Rs. 1053.05 lakh. Under Night Shelter Scheme, Government's financial assistance is for construction of the Night Shelter building structure/compound. Individual persons are not financially assisted under the scheme, as the shelters are normally run by local bodies.

Subsidy provided by the Central Government and loan advanced by HUDCO

(Rs. in Lakh)

Year	Government Subsidy		Loan Advanced by HUDCO	
	Sanctioned	Release	Sanctioned	Release
1999-2000	725.34	100.20	228.14	25.00
2000-2001	342.40	137.11	38.56	203.50
2001-2002	544.60	65.10	444.90	0.00
2002-2003	15.96	345.80	0.00	190.66
2003-2004	10.00	195.28	0.00	64.36

3.85 When asked about the role of NGOs in the implementation of Night Shelter Scheme the Ministry stated that the existing guidelines have a role for NGOs in the Night Shelter Scheme. The projects under this scheme are formulated, constructed and operated by the municipal bodies or agencies identified by the State Government or local bodies. Apart from this, Building Centres, public sector undertakings, NGOs, Community Based Organisations, charitable institutions, etc. can be involved in project formulation, execution and/or management of the shelters as per requirements. The existing guidelines of the scheme provides for role of NGOs and community based organizations along with Urban Local Bodies, Charitable Institutions, Public Sector undertakings, etc. The Scheme is under revision in consultation with the concerned agencies including NGOs/State Governments to make

the Scheme more attractive. This may lead to an increasing role for NGOs.

3.86 During the course of oral evidence of the Ministry, the Committee asked about the steps taken by HUDCO in construction of Night Shelter for Urban Shelterless and whether the night Shelters in Delhi and other cultural cities such as Puri, Varanasi etc. have been provided/are being provided adequately. To this, the representative of the Ministry stated that about the night shelters, there have been a very few takers because there is a problem for the local bodies to get land at the proper places where the night shelters can be constructed. Secondly, there is an O&M problem. The grant only provides for the initial construction. There was a diversion that this night shelter scheme was used mainly for pay-and-use toilets. In many places, pay-and-use toilets were put up under this programme. Now, after it was merged with VAMBAY, the toilets are coming under VAMBAY programme. So, this Night shelter Scheme is also being reviewed that how to make it popular may be by involving NGOs, like Dharamshala concept. This is being reviewed in the Ministry.

3.87 The representatives of the Ministry further informed that recently they had two interaction with group of NGOs and other community group and organisations in the Ministry. In fact, the Minister was very keen and she called meetings of these people. There are these groups who are working in specific areas. We had one organisation working with rag-pickers. We had some other organisations similarly working with these targeted groups in small areas. Some are working with pavement workers and street vendors and so on.

3.88 The representative of the Ministry assured that :

> "We also intend to going further especially with organisations like Sewa because Sewa has now branched but in various States. We also have Sewa in Delhi and they also came for the meeting. There is one NGO, through whom the Delhi Government is running a night shelter. They are trying to find but ways and means. Locating a place is a difficult task but some private schools have agreed and these schools can be used. Like this, some arrangement is worked out. Of course, it is run through the NGOs. We are engaged in this and we can only step up our efforts as you have pointed out."

3.89 The Committee note that the Night Shelter Scheme was launched in 1988-89 to ameliorate the shelter condition of absolutely

shelterless and pavement dwellers in metropolitan cities. Since 1990-1991, this Scheme is being implemented through HUDCO. In the light of various suggestions from the implementing agencies, the scheme was modified in 1992 and again in 2002 in consultation with the planning Commission and the Ministry of Finance. The present scheme is now limited to construction of Night Shelter with community toilets and baths with Central Subsidy for construction of composite night shelter @ 50% of the cost of construction subject to the cost-ceiling of Rs. 20,000 per bed for night shelter. HUDCO or any other organisation bears the balance portion of funds by way of extending of loans. The Committee also note that the component of independent pay & use toilets has since been decided to be merged with VAMBAY.

3.90 The Committee are informed that as on 9.7.2004, HUDCO has sanctioned 99 Night Shelters/Pay and Use Toilets schemes. On completion, these projects would provide 17,599 beds, 17,279 WCs, 2671 baths and 2422 urinals. A subsidy of Rs. 1580.21 lakh has been released by HUDCO for these schemes apart from loan release of Rs. 1053.05 lakh. Under Night Shelter Scheme, Government's financial assistance is for construction of the Night Shelter building structure/ compound. As per procedure, individual persons are not financially assisted under the scheme, as the shelters are normally run by local bodies/organizations. The Committee note that the total outlay in the 10th Plan period for this scheme is Rs. 30.97 crore and the Budget Estimates for the year 2004-2005 is Rs. 4 crore. The Committee are surprised to learn that the Government subsidy in 2001-2002 amounting to Rs. 544.6 lakh had been sanctioned but only Rs. 65.10 lakh were actually released and HUDCO advanced a loan of Rs. 444.9 lakh but released no amount in 2001-2002. In their 45th Report the Standing Committee on Urban and Rural Development had also expressed their deep displeasure that during the year 2001-2002, no expenditure was incurred on the Night Shelter Scheme as the scheme was not attractive. In 2002-2003, the Government subsidy as released for this scheme amounts to Rs. 345.8 lakh and the HUDCO loans is to the tune of Rs. 190.66 lakh. Further, the Government subsidy in 2004-2005 is equivalent to Rs. 195.28 lakh and HUDCO loan as released is Rs. 64.36 lakh. The Committee are unable to concur that on the one hand the Ministry had stated that the Night Shelter scheme was unattractive due to which funds had not been released in 2001-2002 and on the other hand subsidy and loans have been released, consequently, in 2003-2004 and 2004-2005 for the same scheme. In the circumstances, the Committee are

compelled to hold that the Ministry seems to resort to flimsy pleas for the poor performance of the Night Shelter Schemes.

3.91 The Committee note that the guidelines stipulate that ULBs, NGOs, Charitable Institutions, Public Sector Undertakings etc. be involved in implementation of the Night Shelter Scheme. The present scheme is under revision in consultation with the concerned agencies including State Governments/NGOs to make the Schemes more attractive. This may lead to an increased role for NGOs. The Committee, therefore, recommend that the modified guidelines for Night Shelter Scheme be finalised at an early date and the role of NGOs in implementation of the Scheme be clearly demarcated so as to make the implementation of the scheme in a smooth and timely manner.

3.92 As regards adequate provision of funds for the scheme, the Committee desire that realistic assessment of budget estimates be put forth and HUDCO be advised to release/sanction loans/advances to cooperative societies/organisations/NGOs etc. by modification of eligibility conditions etc., if required, so that the facility of Night Shelters is provided to the destitute and beneficiaries.

7. National Slum Development Programme

3.93 The National Slum Development Programme (NSDP) was initiated in August 1996. Under the programme, funds in the form of Additional Central Assistance (ACA) are allocated by the Planning Commission annually on the basis of slum population of the State/ UTs for development of Urban Slums. While the Ministry of Finance releases funds to the States under this Programme, the Ministry of Home Affairs also releases the funds to the Union Territories. The States release the funds to the implementing Agencies as per their requirements. The Ministry of Urban Employment and Poverty Alleviation has been nominated as the Nodal Ministry to monitor the progress of the programme in respect of States.

3.94 The objective of this programme is upgradation of urban slums by providing physical amenities like water supply, storm water drains, community bath, widening and paving of existing lanes, sewers, community latrines, street lights etc. Besides, the funds under NSDP can be used for provision of community infrastructure and social amenities like pre-school education, non-formal education adult education, maternity, child health and primary health care including immunization etc. The programme also has a component of shelter upgradation or construction of new houses.

3.95 Since the inception of the programme and upto 30.6.2004 a total of Rs. 2,485.85 crore have been released by the Central Government, and as reported by the States/UTs, about 3.74 crore slum dwellers have been benefited from this programme.

3.96 Draft National Slum Policy is under the consideration of the Ministry. Draft National Slum Policy, *inter alia*, envisages an inclusive approach for slum dwellers and granting land tenure to them on 'tenable sites' either *insitu* or by relocation.

3.97 When asked whether the Government has the data with regard to slum population in each of big cities the Ministry in a written reply stated that the slum development being a State subject, State Governments survey and take stock of slums in their respective States. However, Town and Country Planning Organisation (TCPO) conducted a study on slums in 1995-96 and brought out a report titled "A Compendium on Indian Slums-1996". According to this report, the slum population of 23 big cities (metropolitan cities) for 2001 is estimates at 254.811 lakh. Slum population which was 148.249 lakh in 1981 increased to 188.659 lakh during 1990-1991 and further increased to 254.811 in 2001. An attempt has also been made for the first time during the census of India 2001 by the Registrar General of India to collect detailed data about slum areas of the country particularly cities/town having 50,000 population or more based on 1991 census. As per the provisional figures of the census of India, 2001, the total slum population of the 26 big cities (metropolitan cities) is 165.65 lakh.

3.98 The Committee note that as per study conducted by TCPO slum population which was 148.249 lakh during 1981 increased to 188.659 lakh during 1990-1991 and further increased to 254.811 lakh during 2001. The Committee further find that different data of slum population have been indicated by two different studies conducted by TCPO and census studies. As per TCPO the slum population during 2001 in 26 big cities is 254.811 lakh but as per census of India based on the Registrar Census of India, slum population in 26 big cities is 165.65 lakh. The Committee feel that sincere efforts have not been made to know the slum population in the country. The Committee recommend that the Ministry should first of all conduct a study to know about the slum population in all the big cities of the country in order to arrive at the correct estimate of State/UTs. Besides there should be some mechanism to review the data with regard to slum population after a fixed period of time say five years. Such a data is required for formulating plan for tackling

the various issues like rehabilitation, relocation and providing infrastructure and hygienic conditions in urban slums. Besides for urban planning as well as finalisation of Urban Policy, such a data is the necessary input.

3.99 The Committee are constrained to note the poor performance of National Slum Development Programme. Upto 30 June 2004 a total of Rs. 2,475.85 crore has been released by the Central Government and about 3.74 crore slum dwelles have been benefited from the programme which means that on an average about Rs. 662 per head was spent during the last eight years on slum dwellers whereas according to the 2001 Census, there are 40.6 million persons living in slums in 607 towns/cities in the entire country. The Committee desire that the Government should enhance the release of funds to the State under this Programme and should ensure that release should be made for specific projects with adequate and proper Central monitoring of the projects under the Programme.

3.100 The Committee further note that Draft National Slum Policy is under the consideration of the Ministry. Draft National Sum Policy *Inter-alia* envisages an inclusive approach for slum dwellers and granting land tenure to them as tenable sites either *in-situ* or by relocation. The Committee desire that Draft National Slum Policy should be finalised and implemented at the earliest as such policy could bring an attitudinal change among the Government bodies and general public including slum dwellers, regarding measures to improve the quality of life of slum dwelllers.

8. Urban Reforms Incentive Fund Scheme (URIF)

3.101 The Urban Reforms Incentive Fund Scheme was approved by the Government on 28.6.2003 with an outlay of Rs. 500 crore per annum during the 10th Plan Period. The objective of the scheme is to provide reform linked assistance to States so as to incentives and accelerate the process of urban reforms identified by Government of India, Ministry of Urban Employment & Poverty Alleviation. An allocation of Rs. 500 crore is divided among the States/UTs on the basis of their percentage of urban population to the total urban population of the country. The incentive is given as Additional Central Assistance (ACA) and is released as 100% grant by the Ministry of Finance on the recommendation of this Ministry. For availing benefits under the Scheme, States/UTs are required to enter into a prescribed Memorandum of Agreement (MoA) with the central Government. 50% of the eligible allocation during the year 2003-2004 was released as

incentive on signing of Memorandum of Agreement by the State Government for the agreed reform areas and the balance 50% was to be released on achievement of prescribed milestones, as indicated in the Memorandum of Agreement. Releases for the year 2004-2005 onwards would depend upon the achievement of milestone for that year as detailed in the Memorandum of Agreement. Initially seven reform areas were identified. These are (i) Repeal of ULCRA; (ii) Rationalization of stamp Duty; (iii) Reform of Rent Control Laws; (iv) Introduction of computerised process of registration; (v) Reform of Property Tax; (vi) Levy of reasonable user charges; and (vii) Introduction of double entry system of accounting in Urban Local Bodies. The guidelines under the scheme have been finalized and circulated to the State Governments/UTs.

3.102 When asked whether the State/UT Governments were consulted before implementing the URIF Scheme the Ministry in their written reply have stated that the Urban Reforms Incentive Fund (URIF) Scheme was brought to the notice of all the State Governments. Draft Memorandum of Agreement (to be signed with them) was also circulated to them. This issue was also deliberated in the Housing Ministers' Conference held on 12.9.2002.

3.103 When asked about the response from the State/UT Governments to the Scheme the Ministry stated that most of the States suggested that it may not be possible for them to sign Memorandum of Agreements in respect of all the seven reform areas and carry out all the reforms in one go, simultaneously. It was, therefore, decided by the Government that weightage may be given to each reform area and truncated Memorandum of Agreement may be allowed to be signed so that releases may be made as per the weightage given to the agreed reform areas and as per the achievement of the milestone(s) in each reform area separately.

3.104 When asked about the details of States/UTs Government which have signed Memorandum of Agreement (MoA) with the Ministry, the Ministry stated that the 21 States and 3 UTs signed Memorandum of Agreements/Truncated Memorandum of Agreements with the Ministry till 31.3.2004. The names of the States are : Tamil Nadu, Madhya Pradesh, Chhattisgarh, Tripura, Karnataka, Maharashtra, Manipur, Kerala, Haryana, Chandigarh, Andhra Pradesh, Andaman & Nicobar Islands, West Bengal, Orissa, Nagaland, Delhi, Goa, Arunachal Pradesh, Gujarat, Uttar Pradesh, Meghalaya, Bihar, Rajasthan and Himachal Pradesh.

Monitoring of the Scheme

3.105 The implementation of the scheme is monitored by the Empowered Committee set up under the Chairpersonship of Secretary, Ministry of Urban Employment & Poverty Alleviation, the Committee assess whether a State has achieved a particular milestone in a reform area before recommending to the Ministry of Finance for release of funds/incentive corresponding to that milestone and reform area. Other Members of the Committee include Secretary, Department of Expenditure or his nominee; Secretary, Planning Commission or his nominee; Joint Secretary, Ministry of Urban Development and Joint Secretary (Housing).

3.106 The Committee note that the objectives of the URIF is to provide reform linked assistance to States so as to provide required incentives and accelerate the process of urban reform identified by the Government. An allocation of Rs. 500 crore is divided among the States/UTs on the basis of their percentage of urban population to the total urban population of the Country. The incentives are given as Additional Central Assistance (ACA) and the outlay is released as 100 per cent grant by the Ministry of Finance on the recommendation of the Ministry of Urban Employment and Poverty Alleviation. For availing benefits under the Scheme, States/UTs are required to enter into a prescribed Memorandum of Agreement (MoA) with the Central Government. Releases for the year 2004-2005 onwards would depend upon the achievement of milestone for that year as detailed in Memorandum of Agreement. The Committee further note that before implementing the URIF scheme, the same was brought to the notice of all State Governments. Draft Memorandum of Agreement (to be signed with them) was also circulated to them. This issue was also deliberated in Housing Ministers Conference held on 12.9.2002. The Committee also note that most of the States suggested that it may not be possible for them to sign Memorandum of Agreement in respect of all the seven reform areas and carry out all the reforms in one go. Simultaneously, it was therefore, decided by the Government that weightage may be given to early reform areas and truncated Memorandum of Agreement may be allowed to be signed so that releases may be made as per the weightage given to the agreed reform areas and as per the achievement of the milestone in each reform area separately. Till 31 March, 2004, 21 States and 3 UTs have signed Memorandum of Agreements/Truncated Memorandum of Agreement with the Ministry.

3.107 The Committee are of the firm view that before launching any scheme Government should first take the concurrence and approval of the scheme from States and should also examine whether adequate infrastructure exist with States/UTs to launch such scheme. merely by indicating all the State Governments regarding launching of scheme do not serve the purpose. Without proper follow-up measure the targets can not be achieved. The Committee apprehend that the poor progress in URIF Scheme is due to lack of coordination and poor response of the State Governments. The Committee recommend that the Government at this stage should adopt holistic approach and the guidelines of the URIF Scheme be modified in order to make it more viable so that the remaining States/UTs concede to sign Memorandum of Agreements in respect of all reform areas with the Ministry so that process of urban reform could be accelerated. Schemes should not be launched superficially without finding its relevance and whether the same can take off. In the above case, this was not done. A perfunctory approach may lead to waste of time, money, material and human resources. Such casual move on the part of the Ministry is deprecated and they should be careful in future before resorting to such puerile approach. The Ministry should re-analyze the above scheme with feasibilities and spell out the steps which could lead to its success.

CHAPTER IV

URBAN HOUSING

4.1 Housing and Human Settlement is a State subject. Each State prepares its own action Plan. As per the National Housing and Habitat Policy, 1998, the role of the Central Government is that of an enabler and not of a provider. However, various schemes for housing and human settlement implemented by the Government, provide additional funds to the State Governments by way of grant/loan to boost their efforts.

4.2 The National Agenda for Governance focusses on Housing for all as a priority area, with particular emphasis on the needs of the Economically Weaker Sections and Low Income Group category. This programme envisages to facilitate construction of 2 million additional units every year. Out of which 7 lakh would be taken up for construction in Urban areas and 13 lakh houses would be taken up for construction in rural areas. HUDCO is to meet the target of 4 lakh units in urban areas and 6 lakh dwelling units in rural areas annually. A target of 2 lakh dwelling units in Urban areas to be met by Housing Finance Institutions (HFIs) recognized by National Housing Bank (NHB) & Public sector Banks and the balance 1 lakh dwelling units in Urban areas by the Cooperative Sector. Loans are disbursed by these agencies for construction of dwelling units.

4.3 The progress under the 'Two Million Housing Programme' since its inception in 1998-99 is as under:—

Dwelling units sanctioned under two million Housing Programme from 1998-1999 to 2003-2004

Sl.No.	Year	HUDCO	HFIs	Banks	Cooperative	Total
1.	1998-1999	430399	153932	39739	174944	799014
2.	1999-2000	460218	135035	91460	88218	774931
3.	2000-2001	470881	171496	162240	80899	885516
4.	2001-2002	401078	262991	195624	73659	933352
5.	2002-2003	459969	259772	377319	73461	1170521
6.	2003-2004	427455	291955	329376	55000	1103786
	Total	2650000	1275181	1195758	546181	5667120

Amount sanctioned under two million Housing Programme from 1998-1999 to 2003-2004

(Rs. in crore)

Sl.No.	Year	HUDCO	HFIs	Banks	Cooperative	Total
1.	1998-1999	1193.35	5032.69	1090.36	1205.88	8522.28
2.	1999-2000	1159.11	3583.64	2055.75	1240.86	8039.36
3.	2000-2001	578.87	4587.30	4284.36	1367.72	10818.25
4.	2001-2002	450.48	7420.89	5449.23	1392.90	14713.50
5.	2002-2003	2792.91	7433.21	11715.50	1287.09	23228.71
6.	2003-2004	685.77	11548.78	10942.57	550.00	23727.12
	Total	6860.49	39606.51	35537.77	7044.45	89049.22

4.4 The Working Group on Housing in the Planning Commission estimated shortage of 22.44 million houses during the 10th Plan. The Working Group on Housing observed that 90 percent of housing shortage pertains to the weaker section. Under the Two-Million Housing Programme, an annual target of 7 lakh urban houses has been set.

4.5 When asked about the salient features of recommendations made by the National Commission on Urbanization with reference to Urban Housing the Ministry stated that Recommendations of the National Commission on Urbanization relating to housing are as below:—

(i) Housing policy must aim a increasing the supply of serviced land and low-cost shelter, improving and upgrading slums and conserving the existing housing stock;

(ii) The State must facilitate housing and ensure access to basic inputs. It should not become a real estate developer;

(iii) The sites and services programme should be extended to cover the entire cross-section of society. Besides providing housing, the programme should be used to generate employment;

(iv) Apart from providing access to land, the housing programme must also provide for finance, infrastructure development, and community facilities;

(v) Inner city upgradation and housing repair must be encouraged;

(vi) Public agencies in the housing sector should be restructured for fufilment of their new role as facilitators rather than providers of housing; and

(vii) Rent acts should be modified to limit tenancy protection to the poor and to the existing tenancies and to provide for annual revision of rents to reflect increases in the cost of living, the increases varying between residential and non-residential premises and houses above and below 80 square metres.

4.6 National Housing & Habitat Policy, 1998 has taken into account these recommendations as is evident from the aims of the Policy which *inter-alia* provides :—

Aims of National Housing & Habitat Policy

(i) Creation of surpluses in housing stock either or rental or ownership basis.

(ii) Providing quality and cost effective housing and shelter options to the citizens, especially the vulnerable group and the poor.

(iii) Ensuring that housing, along with the supporting services, is treated as a priority and at par with the infrastructure sector.

(iv) Planning of urban transport is to be an integral part of the urban Master Plan.

(v) Development of cities and villages in a manner which provide for a healthy environment, increased use of renewable energy sources and pollution free atmosphere with a concern for solid waste disposal.

(vi) Using the housing sector to generate more employment and achieve skill upgradation in housing and building activity, which continue to depend on unskilled and low wage employment to a large extent.

(vii) Ensuring that all dwelling units have easy accessibility to basic sanitation facilities and water.

(viii) Removing legal, financial and administrative barriers for facilities access to land, finance and technology.

(ix) Progressive shift from a subsidy based housing scheme to cost sharing or cost recovery-cum-subsidy schemes for rural housing.

(x) Progressive shift of rural housing strategies from target orientation to a demand driven approach.

(xi) Using technology for modernizing the housing sector to increase efficiency, productivity, energy efficiency and quality. Technology would be particularly harnessed to meet the housing needs of the poor.

(xii) Forging strong partnerships between private, public and cooperative sectors to enhance the capacity of the construction industry to participate in every sphere of housing and habitat.

4.7 The Committee note that housing and human settlement is a State subject. Each State prepares its own action plan. As per the National Housing and Habitat Policy, 1998, the role of the Central Government is that of an enabler and not of a provider. However, various schemes for housing and human settlement implemented by the Government, provide additional funds to the State Governments by way of grant/loan to boost their efforts. The Committee further note that the National Agenda for Governance focuses on 'Housing for all' as a priority area with particular emphasis on the needs of the Economically Weaker Sections and Low Income Group Category. The working Group on Housing estimated shortage of 22.44 million houses during the 10th Plan. 90 percent of housing shortage pertains to the weaker sections. The Committee feel that keeping in view the shortage of 22.44 million houses during the 10th Plan and 90 per cent of shortage pertaining to the weaker sections there is an urgent need to increase the supply of affordable houses to the Economically Weaker Sections and Low Income Group category through a holistic programme of allocation of land, extension of funding assistance and provision of loan on low interest rate for construction of houses for EWS category. The Committee also feel that to boost the housing construction activities in the country, there is a need to encourage and enlarge the participation of private sector, public sector, cooperatives and individuals in this priority sector. The Committee further feel that to overcome the enormous shortage of housing in the country there is a need to encourage rental housing which requires legislative changes in existing rent control laws. The Government should think it over and come out with a proposal.

Equity to HUDCO for Housing

4.8 HUDCO is the only Housing finance institution in the country which earmarks substantial portion of its loaning pertions for weaker sections. 55% of HUDCO's housing loans are meant for EWS/LIG housing. Loans for EWS programmes are given at comparatively lower rates. The main objective of providing equity support to HUDCO has been reasonable provision of subsidised loan for EWS housing programmes in the State through cross subsidisation.

4.9 The equity is released against the authorised capital of HUDCO in accordance with the Budget provision available. No target has been fixed. However, HUDCO signs a Memorandum of Understanding with the Ministry for each financial year, indicating the quantum of loans to be sanctioned and released for housing and urban infrastructure. Separate targets are fixed for sanction and release of loans for EWS/

LIG along with number of EWS/LIG units to be constructed each year. HUDCO has been meeting these targets.

4.10 The authorised capital of HUDCO is Rs. 2,500 crore which is to be fully subscribed by Government of India. Paid up capital is Rs. 2,000.25 crore (as on 7.6.2004). In order to meet the expansion programme of HUDCO and yet keep the Capital Adequacy Ratio of HUDCO, further infusion of equity to HUDCO would be necessary from time to time.

4.11 Total outlay in the 9th *vis-a-vis* 10th Five Year Plan, year-wise towards equity to HUDCO for Housing is as follows:—

Total 9th Plan outlay Rs. 500 crore (Rs. in crore)

Year	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002
Amount	35.00	110.00	150.00	155.00	155.00

Total 10th Plan Outlay Rs. 1000 crore (Rs. in crore)

Year	2002-2003	2003-2004	2004-2005
Amount	180.00	215.60	225.00

4.12 Cumulatively till 31st March 2004, HUDCO has sanctioned 15,275 schemes involving a total project cost of Rs. 1,19,121 crore (excluding HUDCO Niwas) with loan component of 63,472 crore. An amount of Rs. 43663 crore has been released. HUDCO's assistance has helped in the construction of 143 lakh residential units, about 61 lakh sanitation units and in undertaking 1,110 urban infrastructure schemes effectively improving the living conditions in the urban and rural areas, in 1,790 towns.

4.13 The Committee note the main objective of providing equity support to HUDCO has been reasonable provision of subsidised loan for EWS housing programmes in the States through cross subsidisation. A sum of Rs. 225 crore have been allocated during the year 2004-2005 to HUDCO for equity support. Cumulatively till 31st March, 2004, HUDCO has sanctioned 15,275 schemes involving a total project cost of Rs. 119121 crore with loan component of Rs. 63,472 crore. An amount of Rs. 43,663 crore has been released. HUDCO assistance has helped in the construction of 143 lakh residential units. The Committee cannot but express their hope that with the equity support from Government, HUDCO would help in reducing the 90 per cent of housing shortage pertaining to the weaker sections. The Committee would like to be apprised about the progress made by HUDCO in this regard in due course.

CHAPTER V

HINDUSTAN PREFAB LIMITED

5.1 Hindustan Prefab Limited is a Public Sector Enterprise under the administrative control of Ministry of Urban Employment and Poverty Alleviation is incurring losses since last 10 years. To enable it to pay the wages and salaries to its employees, Ministry of Urban Employment and Poverty Alleviation is providing loan to HPL to pay these statutory dues.

5.2 During the year 2002-2003 only Rs. 1.50 crore have been approved and another demand of Rs. 1.50 crore was approved. In 2003-2004 Rs. 4.79 crore was approved in BE which was revised to Rs. 5.00 crore. For the current year a sum of Rs. 4.50 crore is earmarked as BE out of which Rs. 1.50 crore have been released so far. The loan to HPL is provided under non-plan scheme to meet the expenses on wages/salaries and VRS etc. being a sick unit.

Future of Company

5.3 During the examination of Demands for Grants 2003-2004 of the Department of Employment and Poverty Alleviation the Ministry informed that the Company has an accumulated loss of Rs. 60.00 crore (anticipated) as on 31.3.2002. The estimated net worth as on 31.3.2002 is (-) Rs. 53.62 crore. The staff strength as on 1.1.2002 was 557, consisting of 480 regular employees, 49 contract employees and 28 appointed on compassionate ground, yet to be regularized.

5.4 Because of the poor performance of HPL, the case of HPL was referred to the Disinvestment Commission. The Disinvestment Commission, in its Report submitted in November 1997, had identified HPL as a non-ore PSU. The Commission recommended the disinvestment of its shares to the extent of 74%. The Core Group of Secretaries at the meeting held on 6.3.2000, had reconsidered the recommendation of the Disinvestment Commission and recommended closure of the Company. It recommended that a Voluntary Retirement Scheme may be offered to the employees and the Ministry of Finance may sanction a suitable on-plan loan to the company to implement the scheme. The VRS scheme has been implemented in the company since 1999-2000.

5.5 The Ministry had also informed that a draft Cabinet Note has been prepared to decide the future operations of the HPL. The final decision regarding the future operations is under consideration of the Ministry in consultation with other concerned departments/Ministries.

5.6 When asked about the present status of future operations of HPL the Ministry stated in a written reply that the status of the future operation of HPL is yet to be finalised.

5.7 When asked about the action initiated on the recommendation of the Committee to fix the responsibility for the dilapidated status of operation of the HPL the Ministry in a written reply stated that the Company was established in 1950s. It stated making losses from 1974 onwards except one or two years in between. The reasons for losses were not due to any individual, but because of increased overhead cost due to pay revisions, excise duty, etc. Further, obsolete technology, excess manpower, lack of funds for modernization added to the losses.

5.8 The Committee had examined the issue of dilapidated condition of Hindustan Prefab Limited in their earlier Reports on Demands for Grants and recommended that Government should take an early decision about the future operations of HPL. They note that the issue is yet to be finalised. The Committee while reiterating their earlier recommendation desire that the issue should be finalised within a stipulated timeframe.

NEW DELHI;
18 *August*, 2004
27 *Sravana*, 1926 *(Saka)*

MOHD. SALIM,
Chairman,
Standing Committee on Urban Development.

APPENDIX III

SWARNA JAYANTI SHAHARI ROZGAR YOJANA

UNSPENT BALANCES (CENTRAL + STATE) WITH STATES/UTs

(Rs. in lakhs)

Sl. No.	Name of the States/UTs	Funds available at the bginning of Ninth five Year Plan (1.12.1997)	Funds available at the beginning of Tenth Five Year Plan(1.4.2002)
1	2	3	4
1.	Andhra Pradesh	3953.27	2552.42
2.	Arunachal Pradesh	458.65	606.55
3.	Assam	1787.24	2511.40
4.	Bihar	4647.40	6143.47
5.	Chhattisgarh	0.00	539.33
6.	Goa	221.90	127.21
7.	Gujarat	2644.31	1532.84
8.	Haryana	464.76	79.79
9.	Himachal Pradesh	698.03	91.22
10.	Jammu & Kashmir	939.21	883.56
11.	Jharkhand	0.00	310.38
12.	Karnataka	4888.75	1487.10
13.	Kerala	846.82	359.02
14.	Madhya Pradesh	3053.95	1556.56
15.	Maharashtra	4860.44	4807.99
16.	Manipur	531.58	834.23
17.	Meghalaya	324.86	472.21
18.	Mizoram	90.58	186.31

1	2	3	4
19.	Nagaland	428.46	554.70
20.	Orissa	1116.34	677.77
21.	Punjab	1541.47	374.20
22.	Rajasthan	3160.17	1643.98
23.	Sikkim	106.16	91.71
24.	Tamil Nadu	7514.65	1014.36
25.	Tripura	98.20	163.97
26.	Uttranchal	0.00	130.85
27.	Uttar Pradesh	7364.15	2623.93
28.	West Bengal	2679.15	1332.57
29.	A&N Islands	120.31	313.52
30.	Chandigarh	77.70	167.55
31.	D&N Haveli	81.34	196.12
32.	Daman & Diu	81.65	210.73
33.	Delhi	262.53	486.15
34.	Pondicherry	259.13	561.45
	Total	55303.16	35625.15

APPENDIX IV

STATEMENT SHOWING PHYSICAL ACHIEVEMENT UNDER SWARNA JAYANTI SHAHRI ROZGAR YOJANA

Year	No of Micro-Enterprises set up under USEP	No. of persons Trained under USEP	No. of Mandays Generated under UWEP (in lakhs)
1997-1998	10382	10085	13.63
1998-1999	42643	38030	79.92
1999-2000	135221	104534	111.52
2000-2001	122844	39516	166.36
2001-2002	103403	85789	57.49
2002-2003	127880	99411	31.26
2003-2004	100903	121594	34.62
Total	643276	498959	494.80

APPENDIX V

COMMITTEE ON URBAN DEVELOPMENT (2004-2005)

MINUTES OF THE SECOND SITTING OF THE COMMITTEE HELD ON TUESDAY, THE 10TH AUGUST, 2004

The Committee sat from 1430 hrs. to 1630 hrs. in Room No. 62, Parliament House, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Avtar Singh Bhadana
4. Shri Surendra Prakash Goyal
5. Shri Shripad Yesso Naik
6. Shri Mahendra Prasad Nishad
7. Shri Devidas Anandrao Pingale
8. Shri D. Vittal Rao
9. Shri Sajjan Kumar
10. Shri Sudhangshu Seal
11. Shri Rakesh Singh
12. Shri Sugrib Singh
13. Shri Ravi Prakash Verma
14. Shri Suresh Ganpat Wagmare

Rajya Sabha

15. Shri B.K. Hariprasad
16. Shri Nandi Yelllaiah
17. Shri Jayantilal Barot
18. Shri Laxminarayan Sharma
19. Shri Prasanta Chatterjee
20. Shri Shahid Siddiqui
21. Shri Faqir Chand Mullana
22. Shri Vidya Nivas Misra

SECRETARIAT

1. Shri K. Chakraborty — *Director*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shrimati Neera Singh — *Under Secretary*

Representatives of the Ministry of Urban Employment and Poverty Alleviation

1. Smt. Chitra Chopra, Secretary
2. Shri Ajeer Vidya, Joint Secretary & FA
3. Shri Pankaj Jain, Joint Secretary (HEPA)
4. Shri U.S. Pant, Chief Controller of Accounts
5. Dr. P.S. Rana, Chairman and Managing Director, HUDCO
6. Shri D.B.N. Rao, Director General, BMTPC
7. Col. R.K. Singh, Chief Executive Officer, CGEWHO
8. Dr. M.L. Khurana, Managing Director, NCHF
9. Shri A.R. Chaudhury, CMD, NBCC

2. At the outset, Chairman welcomed the representatives of the Ministry of Urban Employment and Poverty Alleviation to the sitting and then drew their attention to the provision of direction 55 (1) of the Directions by the Speaker. The Secretary, Urban Employment and Poverty Alleviation briefly explained the overall position with regard to the allocation and expenditure of the Ministry as well as the projection of the Ministry during 10th Plan period. He also outlined about the features of and enumerated the problems being faced in implementation of schemes of the Ministry. The Committee then discussed in detail the various issues related to the examination of the Demands for Grants (2004-2005) of the Ministry with special emphasis on major Centrally sponsored Schemes *viz*. Swarna Jayanti Shahari Rozgar Yojana, Valmiki Ambedkar Awas Yojana (VAMBAY), Integrated Low Cost Sanitation Scheme for liberation of Scavengers (ILCS), National Scheme for Liberation and Rehabilitation of Scavengers and their dependents (NSLRS) and Night Shelter Schemes of the Ministry. The representatives of the Ministry clarified to the queries of the members.

3. A verbatim record of the proceedings was kept.

The Committee then adjourned.

APPENDIX VI

COMMITTEE ON URBAN DEVELOPMENT (2004-2005)

MINUTES OF THE THIRD SITTING OF THE COMMITTEE HELD ON TUESDAY, THE 17TH AUGUST, 2004

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Surendra Prakash Goyal
3. Shri Shripad Yesso Naik
4. Shri Amitava Nandy
5. Shri Mahendra Prasad Nishad
6. Shri Devidas Anandrao Pingale
7. Shri L. Rajgopal
8. Shri D. Vittal Rao
9. Shri Sajjan Kumar
10. Shri Sudhangshu Seal
11. Shri Sugrib Singh
12. Shri K. Subbarayan
13. Shri Ravi Prakash Verma
14. Shri Suresh Ganpat Wagmare

Rajya Sabha

15. Shri B.K. Hariprasad
16. Smt. Syeda Anwara Taimur
17. Shri Nandi Yellaiah
18. Shri Jayantilal Barot
19. Shri Laxminarayan Sharma
20. Shri Prasanta Chatterjee
21. Shri Shahid Siddiqui
22. Shri Urkhao Gwra Brama

SECRETARIAT

1. Shri K. Chakraborty — *Director*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shrimati Neera Singh — *Under Secretary*

2. At the outset, chairman welcomed the members to the sitting of the Committee. The Committee then took up for consideration the draft Report on Demands for Grants (2004-2005) of the Ministry of Urban Employment and Poverty Alleviation. After deliberations the Committee adopted the draft report with slight modifications.

3. The Committee then authorised the Chairman to finalise the Report on the basis of factual verification from the concerned Ministry and present the same to the House of Parliament.

The Committee then adjourned.

APPENDIX VII

STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

Sl.No.	Para No.	Recommendations/Observations
1	2	3
1.	2.8	The Committee find that under the jurisdiction of the Ministry there are two major Schemes *viz*. VAMBAY and SJSRY to tackle the problem of urban slums and to provide self-employment to urban poor. The detailed analysis of the aforesaid Schemes has been made in the subsequent chapters of the Report. Here the Committee would like to note that the allocation under the two aforesaid Schemes *i.e.* Rs. 280.58 crore and Rs. 103 crore during 2004-05 is not adequate. The Committee note that there are big challenges before the Ministry in the areas of addressing various problems relating to slum population and employment to urban poor. They feel that the allocation of the Ministry is too meagre. The Committee strongly recommend to the Government to provide adequate allocation under the respective Schemes of the Ministry. While recommending for higher outlay, the Committee would also like that the Ministry should first of all do the proper homework before going to the Planning Commission/Ministry of Finance for higher allocation.
2.	2.9	The Committee find that although the UPA Government has assured 100 days wage employment to the bread earner in each family at the minimum wage, there is no clear cut strategy on the part of the Government to achieve the said targets. The

1	2	3
		Committee note that one of the major employment Scheme, SJSRY is under the jurisdiction of the Ministry. They also find that the Yojana is plagued with various bottlenecks resulting in ineffective implementation of the programme. While the Yojana has been dealt with in detail in the subsequent chapter, the Committee would like to highlight that it is high time that the Ministry revise the guidelines of the Yojana, after consultation with the State Governments, urban local bodies and all concerned. After doing the proper planning they should increase the targets.
3.	2.10	As the name of the Ministry suggests the main task of the Ministry is to tackle the issue of urban employment. To enable the Government to fulfil the promise of providing 100 days wage employment to the bread earner in each family, the major task before the Ministry is to have the clear-cut data of urban unemployed. Besides in consultation with the State Governments and all the Union Ministries concerned with providing employment in urban areas a clear-cut strategy should be chalked out so that the promises made by the Government are translated into reality. The Committee should be informed accordingly.
4.	2.11	The Committee note from the Budget allocations that the Ministry of Urban Employment and Poverty Alleviation have been allocated an overall B.E. 2004-2005 amounting to Rs. 841.68 crore (Gross) which includes both Plan and Non-Plan. The respective provisions on the Revenue and capital sides are Rs. 530.13 crore and Rs. 311.55 crore, respectively. The break-up

1	2	3
		of Plan and Non-Plan provision is Rs. 830.00 crore and Rs. 11.68 crore, respectively. The Committee also note that in the Revenue Section the budgetary allocation in the Plan section in year 2003-2004 amounted to Rs. 347.9 crore but it has increased to Rs. 523 crore in year 2004-2005, marking almost 50.33% increase in planned allocations in the present financial year. Certain schemes have been added to the portfolio of the Ministry of Urban Employment & Poverty Alleviation as the Integrated Low Cost Sanitation Scheme for Liberation of Scavengers (ILCS) and National Scheme for Liberation and Rehabilitation of Scavengers and their dependents (NSLRS) were transferred from the Ministry of Urban Development and Ministry of Social Justice and Empowerment, respectively. Further, a new scheme for re-settlement of slums in Dharavi, Mumbai has been launched for which a provision of Rs. 75 crore has been made in the BE 2004-2005. Although with the addition of the said schemes, the 50.33% increase in the Revenue Section attributes to be notional for the required ongoing expenses. The Committee are of the firm view that the increased allocation of funds be utilized in the right perspective.
5.	2.12	The Committee express their deep concern about the continuous nature of unspent balances of funds lying with the State Governments, which were released by the Centre for implementation of various poverty alleviation schemes depicting the incomplete implementation of the schemes/programmes. The Committee need hardly emphasize that inordinate delay in release

1	2	3
		of Central share of funds to the States gives very less time to the State Government and ULBs for the implementation of a programme thereby defeating the main purpose behind each of these poverty alleviation programmes/schemes. The Committee, therefore strongly recommend that comprehensive monitoring should be done at the Central level and periodical and timely review of the functioning of the programmes under implementation should be made by a high level body of the Ministry of Urban Employment & Poverty Alleviation so as to ensure proper implementation of the schemes. The Committee also recommend that concrete steps must be taken to obviate incidences of rush hour spending or release of funds towards the fag end of a financial year so that the allocated budgetary funds are utilized constructively. The Ministry should chalk out a time-frame regarding releases of funds under the Centrally Sponsored Scheme of their Ministry to States/UTs.
6.	3.6	The Committee note that in 1993-94, the urban poverty ratio was 32.4% and it came down to 23.6% in 1999-2000 *i.e.* a decrease of 8.8%. The Committee are, however, not at all convinced by the stand taken by the Ministry that this decrease in poverty ratio is attributed to the impact and effective implementation of the various urban poverty alleviation programmes of the Government as they are of the firm view that the Government have yet to go a long way in tackling the problem of poverty alleviation and effective implementation of schemes/programmes earmarked for upliftment of the urban poor population.

1	2	3
		The Committee endorse the observation made in the 10th Plan Document that the implementation of programmes for the urban poor is beset with enormous problems and the problem of inadequate funding has been compounded by under-utilisation of Central funds, diversion of funds released for specific programmes, and infructuous expenditure. The Committee, therefore, recommend that concerted efforts be made by the Central as well as the State Governments in line with the planned objectives of poverty eradication by way of efficient monitoring at the Central level and involvement of State level coordinators, urban local bodies and NGOs.
7.	3.7	The Committee note that the Ministry's contention is that the funds allocated to the poverty alleviation scheme are inadequate to meet the requirements of about 67.1 million urban poor population. In this respect, the Committee would like to emphasize that ongoing poverty and employment schemes should be fully and effectively implemented at first in the States and periodic and timely monitoring of the schemes should be carried out at Central level. The Committee are also of the firm view that appropriate punitive measures must be taken at the Ministerial level in cases where misuse and diversion of funds has come to the notice. The Committee would like to be apprised of the steps taken in this direction at the earliest.
8.	3.12	The Committee note that consequent to a decision taken in 2001 by the Government, 10% of the total budget provision of the Ministries/Departments is liable to be spent for the development projects in North

1	2	3
		Eastern States including Sikkim. The Ministry of Urban Employment and Poverty Alleviation also implements the schemes/ programmes related to following areas *viz*. (i) Housing projects predominantly for the urban poor; (ii) Poverty alleviation projects; and (iii) Slum improvement/upgradation projects. The financial allocations for the year 2002-2003 amounted to Rs. 62.50 crore and the Actual expenditure amounted to Rs. 44.17 crore and for the year 2003-2004, the budget allocation amounted to Rs. 62.5 crore but the actual expenditure amounted to Rs. 51 crore. Regarding the year 2004-2005, the budget estimate is equal to Rs. 83 crore. On the question of under-spending and existing variations in budget estimates, revised estimates and actual expenditure during 2002-2003 and 2003-2004, Ministry have explained that North Eastern States and Sikkim had furnished their Project Proposals very late during the year 2002-2003. On receipt of these Project Proposals, these were got appraised through National Building Construction Corporation (NBCC). NBCC also took some time in the appraisal of these Reports as it involved site visits and detailed consultations with the concerned State Government Officials. Therefore, the Ministry could release Central funds to the Executing Agencies in the last Quarter of the financial year. The Committee deprecate that the Central funds had been released to the executing agencies in the last quarter of the Financial year, thereby leaving ample possibility for incidence of unspent balances. The Committee recommend that proper efforts should be made by the Ministry to address the North Eastern State Governments to

1	2	3
		expedite their submission of project proposals for timely release of funds and concerted measures be also taken by NBCC in the appraisal of the proposals revised from the States so that the schemes/ programmes could be implemented in a time-bound manner.
9.	3.34	The Committee are constrained to note that about 50 per cent of allocation during the 9th Plan period had been made available for the SJSRY scheme, however, the unspent balances of the Scheme in the 9th Plan was to the tune of more than 553 crore. As on 30th June, 2004, the unspent balance amounting to Rs. 271.55 crore exists with the States/UTs. Since a tangible amount of unspent balances including the Centre and State shares persists to remain with the States/UTs, the Committee are of the firm view that urgent attention should be given by the concerned States/UTs towards this unspent balance.
10.	3.35	The Committee recommend that earnest efforts be made by the Ministry of Urban Employment and Poverty Alleviation to provide an appropriate monitoring mechanism to ensure timely and full implementation of SJSRY Scheme. During the course of evidence, the representatives of the Ministry apprised the Committee that most of the Schemes are being implemented by the States and ULBs. The Ministry is trying for a joint monitoring mechanism with the State Governments and admitted that monitoring has to be stepped up and evaluation of the Schemes have not been done. For under-spending, it has been stated that States share has not been given

1	2	3
		in certain cases due to financial difficulties or inadequate funds. As assured by the Ministry, the Committee expect that effective monitoring mechanism is formulated in a specific time frame and the position is apprised to the Committee.
11.	3.36	The Committee note that SJSRY scheme is being monitored through quarterly progress report and periodical review meetings under the Chairmanship of Minister/ Secretary/Joint Secretary/Deputy Secretary of the Ministry. To further improve the implementation of the scheme, a proposal to notify the guidelines of the scheme is under consideration of the Government on the basis of the problems faced by the States/UTs. The revised guidelines are likely to be implemented in due course. The Committee desire that keeping in view the slow progress of the SJSRY the Ministry should strengthen the monitoring of the Scheme at both the Central and State levels by conducting field visits of the senior officers of the Ministry to have first hand information about the actual implementation of the scheme. The Committee note that the Ministry is in the process of revising the guidelines of SJSRY. They would like that the various issues resulting in ineffective implementation of the programme should be analyzed threadbare after consultation with State Governments, Reserve Bank of India and other, respective Banks *viz.* Commercial, Cooperative Banks involved with the Scheme, Urban Local Bodies and NGOs, through them the public at large. The Committee would also like that the various issues raised by the erstwhile Standing

1	2	3
		Committee on Urban and Rural Development with regard to SJSRY, should also be taken into consideration while finalizing the guidelines of the Scheme. The Committee hope that the revised guidelines of the Scheme would be finalised at the earliest. The Committee also hope that the revised/modified guidelines of the Scheme will expand the scope of SJSRY scheme to cater to the requirements of the urban poor to a greater extent including street vendors and hawkers.
12.	3.37	The Committee are informed that during the 9th Plan, no physical targets were fixed under the SJSRY schemes and it was left to the State/UTs concerned to fix the targets at State level as per their needs. However, in 10th Plan under SJSRY target of 4 lakh self-employment benefits and skill development training to 5 lakh BPL persons have been fixed. The Committee are of the view that without fixing targets for a scheme, it is very difficult to assess the success of a scheme. The Committee hope that all out efforts will be made to meet the targets as set forth by the Government.
13.	3.38	It may be pointed out that the Committee (2003) had conducted an on-the-spot study visit to Aurangabad on 11 September, 2003 and they found that SJSRY was being implemented in a novel way. Under the Scheme, two Lok Seva Kendras were established. The Kendras were acting as a service provider to meet the day today needs of plumbing, electrical, masonry works of the local residents. The youth trained in various such trades were enrolled with the Kendras,—Municipal Corporation

1	2	3
		had provided telephone instruments and furniture worth Rs. 12,000 for each of the Kendra. Wide publicity was also given by the Municipal Corporation. The Committee found it a novel way of providing employment to unemployed youths as well as providing the basic services to the local residents. The Committee desire that the Government should explore the feasibility of adopting the above novel model on all India basis so as to provide gainful employment to unemployed trained youths.
14.	3.39	The Committee note under the Community structures component of SJSRY schemes house to house survey is yet to conducted in 242 towns. The break-up of 242 towns is as given below:

Assam	1
Bihar	103
Chhattisgarh	35
Jammu & Kashmir	45
Jharkhand	47
Madhya Pradesh	2
Punjab	3
West Bengal	6
Total	242

15.	3.40	The Committee are surprised to find that during the examination of Demands for Grants (2003-2004) of the erstwhile Department of Urban Employment and Poverty Alleviation, the Department had furnished a figure of 230 towns where house to house survey was yet to be

1	2	3
		conducted. Now this year the Ministry has informed the Committee that house to house survey under the Scheme is yet to be conducted in 242 towns. The Committee desire that the Ministry should verify the accurate number of towns where house to house survey is yet to be conducted and hope that in future the Ministry would furnish accurate data to the Committee. The Committee would like to emphasise that Ministry should complete the first stage of the programme *i.e.* identification of beneficiaries by conducting house to house survey in remaining towns where house to house survey is yet to be conducted as without the identification of beneficiaries it is very difficult to fix the physical targets an assess the achievement of the Scheme. The Committee hope that the Government would impress upon the State Governments to conduct house to house survey in the remaining 242 towns at the earliest.
16.	3.41	The Committee note that as per the guidelines of the Urban Self Employment Programme (USEP) there is no minimum educational qualifications for beneficiaries under the programme. However, this Scheme is not applicable to the persons educated beyond the 9th Standard.
17.	3.42	The Committee feel that as per the guidelines, the higher education beyond 9th Standard acts as an disincentive to urban poor as he is not entitled to avail of the benefits of the Scheme. The Committee feel that there is a need to review the said condition. The benefit under the scheme should be available to urban poor irrespective of his educational qualification

1	2	3
		so that more and more young poor can come forward and by getting the benefits of the Scheme cross the poverty line.
18.	3.43	The Committee note that the erstwhile Nehru Rozgar Yojana meant to provide employment to poor urban youth was restructured as SJSRY. The Committee conclude from what has been stated above that there are serious problems being faced in the implementation of the Scheme as has been admitted by the Ministry itself. There is no proper monitoring mechanism, Union Government is dependent upon the State Governments for monitoring. Further, even the survey for identification of beneficiaries that is the first stage of implementation is underway. Beyond this there is the problem of non-cooperation of Banks. The Committee feel that at the field level there are certain type of problems *viz*. huge gap between the number of applicants and the sanction and disbursement of loan, the applications are rejected on flimsy ground. All the issues related to the Banks should be sorted out after interaction with the Ministry of Finance, RBI and the concerned Banks. There should be a mechanism to hold the regular meetings with RBI and Banks and the necessary follow-up action should be taken to make the programme effective. Not only that there is a need to improve the delivery mechanism of the Scheme through augmenting training and proper monitoring. Further stress should be on Self Help Groups by providing them forward and backward linkages. The Ministry should think of providing better market facilities to enable SHGs to sell their products. Besides, the products made by

1	2	3
		SHGs should be sold through various Shilp Melas like Saras being organized at Delhi International Trade Fair. Such melas should be organized in other big cities also of the country. Besides, like Delhi Haat, in other cities too such Haats should be opened and the products produced by SHGs should be sold. Wide publicity should also be given to the products produced by the SHGs so as to encourage them. Another area of concern is to make the products produced by Self Help Groups (SHGs) competitive. There is a need to provide training to improve the quality of the products. More and more NGOs should be involved in the task. SHGs should be involved in the trade according to the local needs of the area where these are manufactured so as to ensure the viability of SHGs. Once SHGs are viable and are engaged in profit making activity, there will not be any problem of Bank loan. Banks would come forward themselves to provide loan under the Scheme. In view of the aforesaid position there is an urgent need to take all the corrective steps as given above so as to make the programme more effective.
19.	3.55	The Committee note that main purpose behind VAMBAY scheme is to provide shelter or upgrade the existing shelter for BPL persons living in urban slums of the country. This scheme, launched in 2001-2002 has been allocated funds amounting to Rs. 2,040 crore in the Tenth Plan period. The financial allocation in 2002-2003 amounted to Rs. 256.85 crore and in 2003-2004 the allocation was to the tune of Rs. 238.50 crore. Out of the total allocation of Rs. 256.85 crore for the year 2002-2003

1	2	3
		under VAMBAY, central subsidy of Rs. 218.35 crore was released for construction of 1,10,388 dwelling units (more than the target set *i.e.* 1,00,000) and 21,488 community toilets. However, 15% of the allocated amount could not be utilised due to non-receipt of proposals from the State Governments in some of the components of VAMBAY though in shelter component, the demand was enough to utilise all the allotted amount. In such circumstances, the Committee cannot but express their distress about the sorry state of affairs of implementation of the VAMBAY scheme. The Committee are compelled to re-emphasise that the delivery mechanism of the Ministry needs to be really beefed up in coordination with the concerned State Governments and ULBs. The Committee recommend that an accountable system of checks should be chalk out so as to ensure timely release of funds and full implementation of VAMBAY programme. The Committee would like to be apprised about the steps taken in this regard in due course.
20.	3.56	The Committee find that VAMBAY was started in the year 2001. They note that under Nirmal Abhiyan Component of VAMBAY, sufficient demand was not received during 2002-2003 and 2003-2004. The Committee note that almost three years have elapsed since the Scheme was started. The Ministry should review the various components of the Scheme in consultation with State Governments and Urban Local Bodies so that projections for the different components of VAMBAY can be made. After a review of various components and

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		after proper analysis the Government should revise the guidelines.
21.	3.57	The Committee are contented to note that VAMBAY being a demand driven scheme, a target of construction of 1.12 lakh dwelling units has been set internally by Ministry for the current financial year 2004-2005. The Committee are of the firm view that it is essential to have a target for achieving as well as assessment of implementation of a scheme like VAMBAY which is the only scheme for providing shelter or upgrading the existing shelter for slum dwellers in urban slums.
22.	3.58	The Committee note that under VAMBAY Central subsidy is granted for construction of dwelling unit @Rs. 20,000 for general cities, Rs. 25,000 for Metro Cities and Rs. 30,000 for mega cities. Some States like Karnataka, Madhya Pradesh etc. have requested to enhance the existing cost of construction/central subsidy of a dwelling units. The Committee have been given to understand that the funding pattern under VAMBAY between Central and State Governments is on 50:50 basis. In regard to unit cost of dwelling unit as given above, the Committee are of the opinion that meaningful amount of Central subsidy should be granted to the State Governments for construction of dwelling units keeping in view the current market prices and cost of construction involved in the units. The Committee, therefore, recommend that comprehensive State-wise assessment of escalation of cost of construction of units under the VAMBAY scheme should be

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		made and the central subsidy for VAMBAY projects be enhanced, accordingly.
23.	3.59	The Committee note that initially Core Groups were formed in HUDCO to over-see the implementation of VAMBAY in the States where projects were being implemented. However, orders were issued by the Ministry formally for constitution of State level Co-ordination Committees (SLCC) comprising of State Government/ agency officials, representatives of the Ministry, HUDCO and NGOs to monitor the progress of VAMBAY scheme in the States. In this regard, the Committee are of the firm view that State Level Co-ordination Committees should involve local representatives and also end beneficiaries for monitoring the implementation of VAMBAY at the State level to plug the loopholes or lacunae in implementation of the Scheme at the grass-root level. The Committee also desire that for further strengthening the monitoring of the Scheme at both the Centre and State level, regular field visits should be made by the Senior Officers of the Ministry/HUDCO to have the first hand information of the schemes so as to ensure that the benefits of VAMBAY reach the genuine beneficiaries.
24.	3.70	The Committee are constrained to note the slow financial and physical progress of ILCS Scheme. The Scheme is infested with numerous problems. The Committee express their doubt as to whether manual scavenging could be eradicated by 2007 as envisaged in the National Action Plan for Total Eradication of Manual Scavengers given the present state of functioning of

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		this scheme. The Committee feel that it is a matter of shame for the country that after 50 years of planned development, abolition of manual scavenging is still a distant dream. Manual Scavenging need to be eradicated at any cost. It is an insult to the humanity and in no way can be tolerated. The Government should make earnest efforts and persuade the States where the scheme has not been successful. An earnest effort is required with proper motivation and action. Periodical review of the Scheme is necessary with proper punitive legal action against those who are indulgent. The Committee deprecate the continuous inhuman use of manual scavengers and desire that urgent corrective measures be made in this regard. The Committee therefore, recommend that the Government should review the existing guidelines of the Scheme and modify the terms of reference of the Scheme so as to make it feasible and liberate the Scavengers from the obnoxious practice of manual scavenging. The Committee also recommend that liberation and rehabilitation of Schemes for scavengers should also be integrated with this Scheme for effective implementation and proper monitoring so that better results could be achieved and manuals scavenging is eradicated by 2007.
25.	3.81	The Committee appreciate that the two schemes *viz*. Integrated Low Cost Sanitation Scheme (ILCS) and National Scheme for Liberation and Rehabilitation of Scavengers and their dependents (NSLRS) dealing with the issue of liberating the Scavengers from the manual scavenging in different States and rehabilitation of the liberated

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		Scavengers have been brought under one umbrella. The said scheme shave been transferred to the Ministry of Urban Employment and Poverty Alleviation from the Ministry of Urban Development and Social Justice and Empowerment respectively. The Committee hope that there will be better coordination between the two issues *viz*. liberation and rehabilitation of scavengers and the country would be able to get rid of the obnoxious task of manual scavenging expeditiously.
26.	3.82	The Committee note that the main reasons for slow progress of the NSLRS scheme are huge unspent balances with State Scheduled Caste Development Corporation (SCDCs), lack of new schemes/proposals sent by the States/SCDCs and non-submission of utilization certificates by the State on time. The Committee take a serious view over the lack of response from the States sand the fact that huge unspent balances with the SCDCs exists. The Committee desire that the Ministry should impress upon the State Governments to minimise the unspent balances under the scheme by effective implementation and submit the utilisation certificates on time.
27.	3.89	The Committee note that the Night Shelter Scheme was launched in 1988-89 to ameliorate the shelter condition of absolutely shelterless and pavement dwellers in metropolitan cities. Since 1990-1991, this Scheme is being implemented through HUDCO. In the light of various suggestions from the implementing agencies, the scheme was modified in 1992 and again in 2002 in consultation with the

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		planning Commission and the Ministry of Finance. The present scheme is now limited to construction of Night Shelter with community toilets and baths with Central Subsidy for construction of composite night shelter @ 50% of the cost of construction subject to the cost-ceiling of Rs. 20,000 per bed for night shelter. HUDCO or any other organisation bears the balance portion of funds by way of extending of loans. The Committee also note that the component of independent pay & use toilets has since been decided to be merged with VAMBAY.
28.	3.90	The Committee are informed that as on 9.7.2004, HUDCO has sanctioned 99 Night Shelters/Pay and Use Toilets Schemes. On completion, these projects would provide 17,599 beds, 17,279 WCs, 2671 baths and 2422 urinals. A subsidy of Rs. 1580.21 lakh has been released by HUDCO for these schemes apart from loan release of Rs. 1053.05 lakh. Under Night Shelter Scheme, Government's financial assistance is for construction of the Night Shelter building structure/compound. As per procedure, individual persons are not financially assisted under the scheme, as the shelters are normally run by local bodies/ organizations. The Committee note that the total outlay in the 10th Plan period for this scheme is Rs. 30.97 crore and the Budget Estimates for the year 2004-2005 is Rs. 4 crore. The Committee are surprised to learn that the Government subsidy in 2001-2002 amounting to Rs. 544.6 lakh had been sanctioned but only Rs. 65.10 lakh were actually released and HUDCO advanced a loan of Rs. 444.9 lakh but released no amount in 2001-2002. In their 5th Report

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		the Standing Committee on Urban and Rural Development had also expressed their deep displeasure that during the year 2001-2002, no expenditure was incurred on the Night Shelter Scheme as the scheme was not attractive. In 2002-2003, the Government subsidy as released for this scheme amounts to Rs. 345.8 lakh and the HUDCO loans is to the tune of Rs. 190.66 lakh. Further, the Government subsidy in 2004-2005 is equivalent to Rs. 195.28 lakh and HUDCO loan as released is Rs. 64.36 lakh. The Committee are unable to concur that on the one hand the Ministry had stated that the Night Shelter Scheme was unattractive due to which funds had not been release in 2001-2002 and on the other hand subsidy and loans have been released, consequently, in 2003-2004 and 2004-2005 for the same scheme. In the circumstances, the Committee are compelled to hold that the Ministry seems to resort to flimsy pleas for the poor performance of the Night Shelter Schemes.
29.	3.91	The Committee note that the guidelines stipulate that ULBs, NGOs, Charitable Institutions, Public Sector Undertakings etc. be involved in implementation of the Night Shelter Scheme. The present scheme is under revision in consultation with the concerned agencies including State Governments/NGOs to market the Schemes more attractive. This may lead to an increased role for NGOs. The Committee, therefore, recommend that the modified guidelines for Night Shelter Scheme be finalised at an early date and the role of NGOs in implementation of the Scheme be clearly demarcated so as to make the

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		implementation of the scheme in a smooth and timely manner.
30.	3.92	As regards adequate provision of funds for the scheme, the Committee desire that realistic assessment of Budget Estimates be put forth and HUDCO be advised to release/sanction loans/advanced to cooperative societies/organisations/NGOs etc. by modification of eligibility conditions etc., if required, so that the facility of Night Shelters is provided to the destitute and beneficiaries.
31.	3.98	The Committee note that as per study conducted by TCPO slum population which was 148.249 lakh during 1981 increased to 188.659 lakh during 1990-1991 and further increased to 254.811 lakh during 2001. The Committee further find that different data of slum population have been indicated by two different studies conducte dby TCPO and census studies. As per TCPO the slum population during 2001 in 26 big cities is 254.811 lakh but as per census of India based on the Registrar Census of India, slum population in 26 big cities is 165.65 lakh. The Committee feel that sincere efforts have not been made to know the slum ppulation in the country. The Committee recommend that the Ministry should first of all conduct a study to know about the slum population in all the big cities of the country in order to arrive at the correct estimate of State/UTs. Besides there should be some mechanism to review the data with regard to slum population after a fixed period of time say five years. Such a data is required for formulating plan for tackling the various issues like rehabilitation,

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		relocation and providing inrastructure and hygienic conditions in urban slums. Besides for urban planning as well as finalisation of Urban Policy, such a data is the necessary input.
32.	3.99	The Committee are constrained to note the poor performance of National Slum Development Programme. Upto 30 June 2004 a total of Rs. 2,475.85 crore has been released by the Central Government and about 3.74 crore slum dweller shave been benefited from the programme which means that on an average about Rs. 662 per head was spent during the last eight years on slum dwellers whereas according to the 2001 Census, there are 40.6 million persons living in slumbs in 607 towns/cities in the entire country. The Committee desire that the Government should enhance the release of funds to the States under this Programme and should ensure that release should be made for specific projects with adequate and proper Central monitoring of the projects under the Programme.
33.	3.100	The Committee further note that Draft National Slum Policy is under the consideration of the Ministry. Draft National Sum Policy *Inter-alia* envisages an inclusive approach for slum dwellers and granting land tenure to them as tenable sites either *in-situ* or by relocation. The Committee desire that Draft National Slum Policy should be finalised and implemented at the earliest as such policy could bring an attitudinal change among the Government bodies and general public including slum dwellers, regarding measures to improve the quality of life of slum dwellers.

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34.	3.106	The Committee note that the objectives of the URIF is to provide reform linked assistance to States so as to provide required incentives and accelerate the process of urban reform identified by the Government. An allocation of Rs. 500 crore is divided among the States/UTs on the basis of their percentage of urban population tot he total urban population of the Country. The incentives are given as Additional Central Assistance (ACA) and the outlay is released as 100 per cent grant by the Ministry of Finance on the recommendation of the Ministry of Urban Employment and Poverty Alleviation. For availing benefits under the Scheme, States/UTs are required to enter into a prescribed Memorandum of Agreement (MoA) with the Central Government. Releases for the year 2004-2005 onwards would depend upon the achievement of milestone for that year as detailed in Memorandum of Agreement. The Committee further note that before implementing the URIF scheme, the same was brought to the notice of all State Governments. Draft Memorandum of Agreement (to be signed with them) was also circulated to them. This issue was also deliberated in Housing Ministers Conference held on 12.9.2002. The Committee also note that most of the States suggested that it may not be possible for them to sign Memorandum of Agreement in respect of all the seven reform areas and carry out all the reforms in one go. Simultaneously, it was therefore, decided by the Government that weightage may be given to early reform areas and truncated Memorandum of Agreement may be allowed to be signed so that releases may

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		be made as per the weightage given to the agreed reform areas and as per the achievement of the milestone in each term area separately. Till 31 March, 2004, 21 States and 3 UTs have signed Memorandum of Agreements/Truncated Memorandum of Agreement with the Ministry.
35.	3.107	The Committee are of the firm view that before launching any scheme Government should first take the concurrence and approval of the scheme from States and should also examine whether adequate infrastructure exist with States/UTs to launch such scheme. Merely by indicating all the State Governments regarding launching of scheme do not serve the purpose. Without proper follow-up measure the targets can not be achieved. The Committee apprehend that the poor progress in URIF Scheme is due to lack of coordination and poor response of the State Governments. The Committee recommend that the Government at this stage should adopt holistic approach and the guidelines of the URIF Scheme be modified in order to make it more viable so that the remaining States/UTs concede to sign Memorandum of Agreements in respect of all reform areas with the Ministry so that process of urban reform could be accelerated. Schemes should not be launched superficially without finding its relevance and whether the same can take off. In the above case, this was not done. A perfunctory approach may lead to waste of time, money, material and human resources. Such casual move on the part of the Ministry is deprecated and they should

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		be careful in future before resorting to such puerile approach. The Ministry should re-analyse the above scheme with feasibilities and spell out the steps which could lead to its success.
36.	4.7	The Committee note that housing and human settlement is a State subject. Each State prepares its own action plan. As per the National Housing and Habitat Policy, 1998, the role of the Central Government is that of an enabler and not of a provider. However, various schemes for housing and human settlement implemented by the Government, provide additional funds to the State Governments by way of grant/ loan to boost their efforts. The Committee further note that the National Agenda for Governance focuses on 'Housing for all' as a priority area with particular emphasis on the needs of the Economically Weaker Sections and Low Income Group Category. The Working Group on Housing estimated shortage of 22.44 million houses during the 10th Plan. 90 percent of housing shortage pertains to the weaker sections. The Committee feel that keeping in view the shortage of 22.44 million houses during the 10th Plan and 90 per cent of shortage pertaining to the weaker sections there is an urgent need to increase the supply of affordable houses to the Economically Weaker Sections and Low Income Group category through a holistic programme of allocation of land, extension of funding assistance and provision of loan on low interest rate for construction of houses for EWS category. The Committee also feel that to boost the housing construction activities in the country, there is a need to encourage and enlarge the participation of private sector, public sector, cooperatives and individuals in this priority sector. The

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		Committee further feel that to overcome the enormous shortage of housing in the country there is a need to encourage rental housing which requires legislative changes in existing rent control laws. The Government should think it over and come out with a proposal.
37.	4.13	The Committee note the main objective of providing equity support to HUDCO has been reasonable provision of subsidies loan for EWS housing programmes in the States through cross subsidisation. A sum of Rs. 225 crore have been allocated during the year 2004-2005 to HUDCO for equity support. Cumulatively till 31 March, 2004, HUDCO has sanctioned 15,275 schemes involving a total project cost of Rs. 119121 crore with loan component of Rs. 63,472 crore. An amount of Rs. 43,663 crore has been released. HUDCO assistance has helped in the construction of 143 lakh residential units. The Committee cannot but express their hope that with the equity support from Government, HUDCO would help in reducing the 90 per cent of housing shortage pertaining to the weaker sections. The Committee would like to be apprised about the progress made by HUDCO in this regard in due course.
38.	5.8	The Committee had examined the issue of dilapidated condition of Hindustan Prefab Limited in their earlier Reports on Demands for Grants and recommended that Government should take an early decision about the future operations of HPL. They note that the issue is yet to be finalised. The Committee while reiterating their earlier recommendation desire that the issue should be finalised within a stipulated time-frame.

APPENDIX I

MINISTRY OF URBAN EMPLOYMENT & POVERTY ALLEVIATION

PLAN ALLOCATION & EXPENDITURE

(Rs. in crore)

Sl.No.	Name of Schemes	9th Plan				1999-2000			2000-01			2001-02			2002-03			2003-04			2004-05
		Proposed	Allocation by Planning Commission	Actual BE allocation	Actual Exp. (9th plan) up to 31.3.02	BE	RE	Actual Exp.	BE	RE	Actual Exp.	BE	RE	Actual Exp.	BE	RE	Actual Exp.	BE	RE	Actual Exp. (Prov.)	BE
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
A. Urban Employment and Poverty Alleviation																					
1.	Housing																				
2.	SJSRY	4869.20	1009.00	705.00	512.89	180.65	126.35	123.00	168.00	95.03	85.91	168.00	45.50	39.18	105.00	105.00	103.42	94.50	94.50	101.81	103.00
3.	Equity to HUDCO	280.00	500.00	605.00	605.00	150.00	150.00	150.00	155.00	155.00	155.00	155.00	155.00	155.00	180.00	180.00	180.00	215.60	215.60	215.60	225.00
4.	Housing Census Periodic Survey & MIS through NBO	15.00	5.00	3.32	0.82	0.52	0.25	0.07	0.50	0.25	0.22	0.30	0.03	0.25	0.30	0.30	—	—	—	—	—
5.	S&T Grants to Institute and other Programme including Building Centres	12.00	7.00	15.00	15.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	—	—	—	—	—
6.	Night Shelter Schemes	8.00	1.00	10.96	6.60	1.00	1.00	1.20	3.40	3.40	3.40	4.56	4.56	0.00	5.00	5.00	3.00	4.50	4.50	1.00	4.00

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
7.	Resettlement of Slums in Dharavi																				75.00#
8.	IYSH activities / Conferences	3.00	2.00	2.69	1.39	0.60	0.60	0.29	0.57	0.30	0.20	0.32	0.32	0.31							
9.	Nehru Rojgar Yojana	0.00	0.00	80.00	31.20																
10.	Urban Basic Services for Poor	0.00	0.00	20.00	8.47					Merged with SJSRY											
11.	P.M.'s integrated Urban Poverty	0.00	0.00	88.00	31.90																
12.	Low Cost Sanitation for Liberation of Scavengers																				30.00
13.	National Scheme for Liberation & Rehabilitation of Scavengers																		40.00	24.27	20.00
14.	BMTPC	28.75	25.00	20.80	23.16	4.00	3.50	4.00	4.00	4.00	6.50	4.00	5.41	3.86	4.00	4.00	4.40	3.00	4.00	4.00	5.00
15.	Grants to NCHF	1.00	1.00	1.00	1.00	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.56	0.20	0.20	0.20	0.22	0.20	0.20	0.22	0.40
16.	VAMBAY	0.00	0.00	0.00	73.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	69.00	73.56	256.85	256.85	218.35	238.50	238.50	238.55	280.58
17.	Infrastructure facilities in D.P. Colonies in West Benngal	45.00	25.00	53.80	34.57	5.00	0.10	0.00	6.50	6.50	6.50	6.30	6.30	6.30	8.03	8.03	0.00	6.00	5.00	4.44	0.01

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
18.	UNDP Assistance for National Strategy for Urban Poor																				4.00#
19.	HPL for VRS									4.00	6.50	0.00	7.00	2.50							
20.	Urban Indicators Programme	627.50	5.00	3.78	0.38	0.03	0.00	0.00	0.33	0.32	0.28	0.32	0.32	0.10	0.12	0.12	0.14	0.20	0.20	0.11	0.01
21.	N.E. Areas			76.00	33.00	0.00	0.00	0.00	0.00	0.00	0.00	38.00	33.00	33.00	62.50	62.50	44.17	62.50$	62.50	$51.00	83.00
	Grand Total	5889.45	1580.00	1685.35	1378.94	345.00	285.00	281.76	341.50	272.00	267.71	380.00	330.00	317.26	625.00	625.00	553.70	625.00	665.00	641.00	830.00

#New Schemes

$Rs. 10.5 crore out of Rs. 62.5 crore re-appropriated to SJSRY and was fully utilized.

APPENDIX II

STATEMENT SHOWING BRIEF SUMMARY OF DEMANDS FOR THE LAST FIVE YEARS 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004

THE PERCENTAGE OF INCREASE/DECREASE

DEMAND NO. 103 MINISTRY OF URBAN EMPLOYMENT & POVERTY ALELVIATION

(Rs. in Crore)

	Major Head	Plan+Non-Plan		% Increase	Plan+Non-Plan		% Incease	Plan+Non-Plan		% Increase	Plan+Non-Plan		% Increase	Plan+Non-Plan		% Increase
		1999-2000	2000-2001		2000-2001	2001-2002		2001-2002	2002-2003		2002-2003	2003-2004		2003-2004	2004-2005	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
REVENUE SECTION																
Secretariat	2052	1.33	1.50	12.78%	1.50	1.50	0.00%	1.50	1.50	0.00%	1.50	1.55	3.33%	1.55	1.65	6.45%
Water Supply & Sanitation	2215														50.00	
Housing	2216	18.14	20.91	15.27%	20.91	19.37	-7.36%	19.37	275.84	1324.06%	275.84	252.95	-8.30%	252.95	300.37	18.75%
Urban Development	2217	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00	75.00	100%
Other General Economic Services																
Swarna Jayanti Shahari Rozgar Yojana	3475	6.45	6.29	-2.48%	6.29	6.29	0.00%	6.29	6.29	0.00%	6.29	6.29	0.00%	6.29	6.29	0.00%

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Grants in aid to State																
Government	3601	175.87	165.40	-5.95%	165.40	165.20	-0.12%	165.20	103.93	-37.09%	103.93	91.40	-12.06%	91.40	93.91	2.75%
Grants-in-aid to UTs	3602	2.53	1.91	-24.51%	1.91	1.91	0.00%	1.91	1.91	0.00%	1.91	1.91	0.00%	1.91	1.91	0.00%
North Eastern Areas	2552	0.00	38.00	0.00%	38.00	19.00	-50.00%	19.00	31.25	64.47%	31.25	1.00	-96.80%	1.00	1.00	0.00%
Total		204.32	234.01	14.53%	234.01	213.27	-8.86%	213.27	420.72	97.27%	420.72	355.10	-15.60%	355.10	530.13	49.29%
CAPITAL SECTION																
Capital Outlay on Housing	4216	150.00	155.00	3.33%	155.00	155.00	0.00%	155.00	180.00	16.13%	180.00	215.60	19.78%	215.60	225.00	4.36%
North Eastern Areas	4552	0.00	0.00	0.00%	0.00	19.00	0.00%	19.00	31.25	64.47%	31.25	61.50	96.80%	61.50	82.00	33.33%
Investment in PSUs	6216	10.00	10.00	0.00%	10.00	10.00	0.00%	10.00	10.00	0.00%	10.00	9.79	-2.10%	9.79	4.55	-53.52%
Total		160.00	165.00	3.13%	165.00	184.00	11.52%	184.00	221.25	20.24%	221.25	286.89	26.97%	286.89	311.55	8.60%
Grand Total		364.32	399.01	9.52%	399.01	397.27	-0.44%	397.27	641.97	61.60%	641.97	641.99	0.00%	641.99	841.68	31.10%